

# NATION'S BUSINESS

January



1927

What's Around *the* 1927 Corner?



Is there a *National* Farm Problem?



Coal in the New Competition



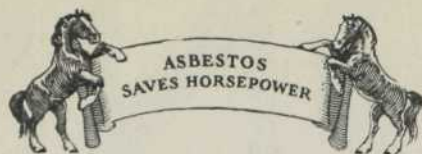
Shouting *The Battle Cry of Service*

*Map of Nation's Business, Page 52*



A QUARTER OF A MILLION CIRCULATION





## The *pure cussedness* of Horsepower—

**H**ORSEPOWER can either be a docile beast of burden or a wild, bucking broncho. It is born in the fire-box, just plumb full of "pure cussedness." It'll go up the smoke stack if it can. It will escape from your boilers. It will desert your steam lines.

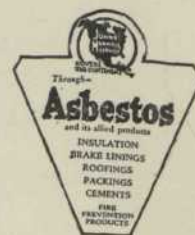
Unruly though it is, it can be held in harness, in fact it must be, in any plant that is to operate efficiently and economically.

Johns-Manville has devoted over fifty years to the production of materials, of Asbestos and its allied products, to keep horsepower under control—insulations, packings, high temperature cements, etc. A Johns-Manville Power Specialty man is ready now to go over your plant with the view of saving your horsepower and your money.

JOHNS-MANVILLE INC., 292 MADISON AVENUE, AT 41ST STREET, NEW YORK CITY  
BRANCHES IN ALL LARGE CITIES FOR CANADA: CANADIAN JOHNS-MANVILLE CO., LTD., TORONTO

# JOHNS-MANVILLE

## SAVES HORSEPOWER



*When writing to JOHNS-MANVILLE, INC., please mention Nation's Business*



**TRUSCON**  
Manufactures all  
Permanent Building Products  
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Truscon has a complete organization of building engineers right in your vicinity who will work with you on preliminary designs and estimates—make detailed study of your requirements—prepare complete plans and definite bid—assume the responsibility for erecting the building for you and give a guaranteed completion date.



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SERIES B. *Flat Roof Types*

Check Type of  
Building Desired

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Consult Truscon about your contemplated building. Preliminary plans, useful suggestions, catalog, etc., furnished without obligation on your part.

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Birmingham  
Boston  
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Cincinnati

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Dallas  
Detroit  
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DISTRICT OFFICES  
Jacksonville  
Kansas City  
Los Angeles  
Louisville  
Milwaukee

Minneapolis  
New Orleans  
New York City  
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Oklahoma City

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San Francisco  
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interested

#### Steel Window Products

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- ☐ Continuous Sash
- ☐ Mechanical Operators
- ☐ Double-Hung —
- ☐ Donovan Awning  
Type —
- ☐ Counter-Balanced —
- ☐ and Projected Win-  
dows
- ☐ Steel Casements
- ☐ Basement Windows
- ☐ Steel Frames
- ☐ Steel Lintels

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- ☐ Rib Bars
- ☐ Kahn Trussed Bars
- ☐ Column Hooping
- ☐ Steel Forms
- ☐ Floretiles
- ☐ Locktype
- ☐ Inserts

#### Metal Lath Products

- ☐ Metal Lath
- ☐ Hy-Rib
- ☐ Corner Beads
- ☐ Channels
- ☐ Studs
- ☐ Partitions

#### Steel Joists

- ☐ Standard Joists
- ☐ Special Joists
- ☐ Accessories

#### Engineering Service

##### Steel Doors

- ☐ Swing Types
- ☐ Sliding Types
- ☐ Tubular Rail Types

#### Complete Buildings

- ☐ Flat Roof Types
- ☐ Pitched Roof Types
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- ☐ Erection

#### Steel Deck Roof

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- ☐ I-Plates Design

#### Reinforced Pavements

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- ☐ Contraction Joints
- ☐ Curb Bars
- ☐ Edge Protectors
- ☐ Steel Road Forms

#### Steel Poles

- ☐ Substations
- ☐ Cross-Arms
- ☐ Fittings
- ☐ Lighting Standards

#### Pole Line Hardware

- ☐ Secondary Racks

#### Boxes and Platforms

#### Foundry Flasks

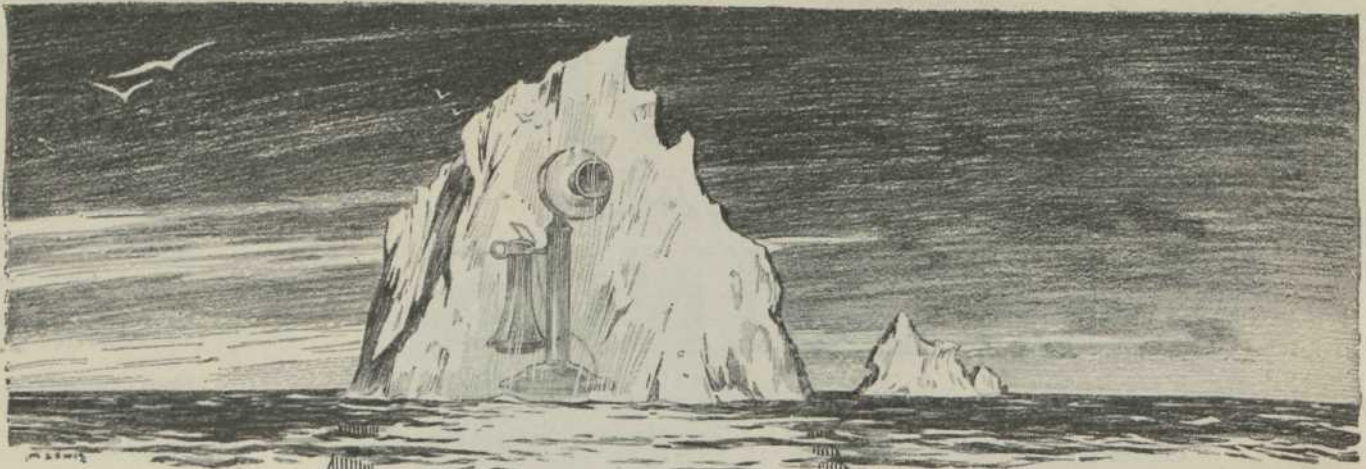
- ☐ Foundry Accessories

#### Pressed Steel Parts

#### Laboratory Products

- ☐ Waterproofing
- ☐ Technical Paints
- ☐ Floor Hardeners
- ☐ Cement Tyle





## Telephones and Icebergs

*don't overlook the part  
you cannot see*

With the telephone system as with an iceberg, by far the greater part is unseen. The instrument on your wall or desk calls into action vast equipment, all of which had to be produced to a standard of accuracy rarely found in industry.

Whether it is the making of your Bell telephone, or the wires and cables connecting it to the central office, or the maze there of distributing frames, relay racks and that marvel of intricacy, the switchboard—here is a work which calls for the skill gained through long experience.

From the buying and testing of the raw materials, through every step of manufacture and inspection to the finished apparatus; further, to its delivery on regular or emergency order—and even to switchboard installation—all this is Western Electric's responsibility.

And through this responsibility has come during forty-four years an ever-increasing opportunity of service to the American public.



*Millions of poles  
are in the vast  
system "back of  
the telephone."*



*Many busy hands braiding  
threads of conversation—  
the telephone cord.*



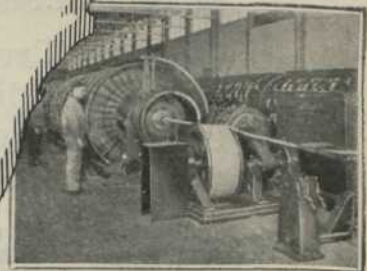
*Assembling a giant switchboard,  
made up of thousands of parts.*



*Part of the great unseen  
equipment that goes in-  
to a telephone exchange.*



*Just wire—but see  
all the equipment  
needed to make it.*



*Huge machines like these are  
needed to produce telephone cable.*



*Back of  
your  
telephone*

# Western Electric

SINCE 1882 MANUFACTURERS FOR THE BELL SYSTEM



# Are All of Your "Advertising Eggs" in One Basket?—



"WE do not consider any general publicity campaign COMPLETE if consideration is not also given to Direct Mail Advertising. There have been times when Direct Mail Advertising has been given FIRST consideration by the Goodrich Tire & Rubber Company. Again, Direct Advertising has put over the other units of a campaign, when those other advertising units would NOT have been successful if we had minimized our consideration of Direct Advertising. Briefly, Direct Mail Advertising to the Goodrich Company is the "daddy" of all other forms of advertising and has given us back, many times over, EVERY dollar spent for Direct Advertising!"

—Goodrich Tire & Rubber Co.

WHEN you checkup on what it costs you to get business at a profit, the more you will realize and appreciate the dividend-paying advantages of putting more of your "advertising eggs" into Direct Mail Selling!

FREE Trial Addressograph Makes Direct Mail More Profitable—So, Check Coupon Below—

## Addressograph

TRADE MARK  
PRINTS FROM TYPE

### FREE Trial Convinces—

100,000

Use It For:

- 1—Increasing Sales
- 2—All Office Forms
- 3—Shipping Tags, etc.
- 4—Speeding Collections
- 5—Pay and Dividend Forms
- 6—Routing Schedules
- 7—All Addressing
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"Getting the Most Out  
of Direct Mail Advertising."

☐ Send Latest 3-Color Catalog and  
Price List.

☐ Send Express Prepaid FREE Trial Hand  
Machine. Will Return Freight COLLECT  
unless we buy.

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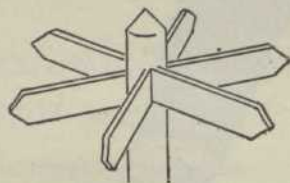
When writing to ADDRESSOGRAPH Co. please mention Nation's Business





FRICION  
—the unseen enemy  
of plant economy

# 6 Roads to Plant Economies



**E**ACH of these roads is open to any plant which adopts the Vacuum Oil Company's Standards of Lubrication Practice.

The predicted economies are not put forward as general claims. They are based on recorded, specific results in plants which are using our oils in a manner we recommend.

Here are the six roads—charted for ready reference.

If you wish to know how the above economies can be made effective in your plant, we suggest you get in touch with us. Our 61 years' experience as the world's leading specialists in lubrication will be brought to bear on your individual problem.

THE KEY MAN in your plant to keep friction in check is, of

course, your engineer. He is entitled to the best help available. The stake is big enough to warrant employing the most expert assistance.

Expertness requires the whole time of a lubrication specialist to keep pace with improvements;—modern lubrication is developing so rapidly.

Our field engineers have the proved experience of other plants in your industry to help them select correct oils and precise methods of application that will insure most economical results. They will serve as effective consultants and assistants to your staff.

Vacuum Oil Company. Headquarters: 61 Broadway, New York. Branches and distributing warehouses throughout the country.

6 ROADS TO PLANT ECONOMIES		
ROAD NUMBER	LEADING STRAIGHT TO	DEMONSTRATED SAVINGS
1	Fewer Repairs	LESS cost for repair material and repair work. Fewer accidents, such as the seizure of a bearing on any piece of machinery.
2	Fewer Machine Failures	LESS retarding of productive operation. Fewer suspensions of work until the machine is made to operate, or auxiliary equipment is brought into service.
3	Less Power Required	POWER savings of from 3% to 30% effected through the elimination of needless metallic friction.
4	Lower Maintenance Costs	SAVINGS in re-conditioning machinery, often done after hours at over-time costs. Savings in replacements of worn parts. Less depreciation on entire equipment.
5	Lower Lubricating Costs per Unit of Output	MARKED savings where lubrication costs are figured against individual units of production. This accounting system prevails in the public utilities, paper, cement and other industries.
6	Lower Oil Costs	SAVINGS in oil consumption and in labor by oil that wears longer, and by supplanting mechanical for hand application.

## Vacuum Oil Company



**Lubricating Oils  
for Plant Lubrication**

When writing to VACUUM OIL COMPANY please mention Nation's Business





SOME day, before we again take pen in hand to indite this column, a gray-uniformed postman will drop on our desk the subscription to NATION'S BUSINESS numbering 250,000.

That will be a source of great gratification to the staff—a staff which has never lost faith and confidence in its task of building a magazine helpful to American business men.

When NATION'S BUSINESS launched its little boat, there were those who said a magazine devoted to applied economics, no matter how skilfully and entertainingly edited, would have only a limited number of readers. One highly successful publisher placed the figure at 25,000. "The average business man," said he, "is not interested in the science of economics; it is too dry; it has been rightly called the dismal science."

We confess that, at times, when the going was particularly hard and slow, we had doubts. But here we are—a quarter of a million in the happy family—and proof again that Don Marquis was right when he said "the average man is a little above the average."

Business is a romance, a stirring adventure, and its science is as entertaining as any piece of fiction fabricated for the "tired business man." And back of that romance, often hidden beneath a careless exterior, lies an idealism and character which those same writers too frequently fail to see and understand. If NATION'S BUSINESS has caught the spirit of American business, as some of our good friends have declared, it is because NATION'S BUSINESS went forth in the beginning strong in its belief in the idealism, the sanity, the stability, the patriotism of the American business man, and told the story of his work simply and truthfully.

And if the last decade has seen business rise to a greater understanding and respect on the part of the public and the public's representatives, then NATION'S BUSINESS rejoices with its readers that it, too, lived and worked during those years, shoulder to shoulder with the American business man, reporting and interpreting his activities, his motives, and his aspirations.

I'D JUST been writing these pleasant thoughts about the magazine and its growth and acceptance, when the Plain Talker dropped in after a long absence and said some things that started me off on another tack.

"Do you know," he asked abruptly, "the one thing I don't like about your magazine?"

"No, I don't," I said. "Shoot."

"Well, I think the trouble with it is that I agree with it too much. It's all sound and sensible, and usually it's readable. But

## Table of Contents

*Linoleum Block Cover Decoration by Balcom*

WHAT'S AROUND THE 1927 CORNER?.....	JOHN W. O'LEARY	15
IS THERE A "NATIONAL" FARM PROBLEM?.....	JULIUS H. BARNES	17
SHOUTING THE BATTLE CRY OF SERVICE.....	HENRY W. TEMPLE	20
Illustration by Cesare		
NEED WE BE AFRAID OF A JOB FAMINE?.....	JAMES L. WRIGHT	22
IT'S TAXES FIRST WITH THE RAILWAYS.....	PHILIP G. OTTERBACK	24
Cartoon by Albert T. Reid		
MAN-MADE WATERWAYS.....		26
COAL IN THE NEW COMPETITION.....	WARREN BISHOP	28
Illustrations by A. Edwin Kromer		
BABBITT THROUGH THE AGES—II. EGYPT. Cartoon..	CHARLES DUNN	31
EDITORIALS.....		32
A PLOT FOR A POWERFUL PLAY.....	CHARLES B. DRISCOLL	34
Cartoon by Charles Dunn		
A NEW "NEW" IN NEW ORLEANS.....	MERLE THORPE	36
THE HUMAN SIDE OF BANKING.....	THOMAS J. MALONE	38
TUNING IN ON THE U. S. A.....	EARL C. REEVES	40
EVERYMAN AND HIS BANK.—IX.....	DALE GRAHAM	43
Illustrations by Emmett Watson		
NO TRADE WITHOUT TRADERS.....	LEO PASVOLSKY	46
THE MAP OF THE NATION'S BUSINESS.....	FRANK GREENE	52
ANOTHER CONGRESS GETS TO WORK.....	WILLARD M. KIPLINGER	56
WHEN AN INDUSTRY STARTS TO FIGHT.....	MERLE THORPE	64
BUSINESS VIEWS IN REVIEW.....	WM. BOYD CRAIG	66
WHAT THE WORLD OF FINANCE TALKS OF.....	M. S. RUKEYSER	72
WHAT IS THE COST OF WEAR AND TEAR?.....		80
OURSELVES AS OTHERS SEE US.....	RAYMOND C. WILLOUGHBY	82
ANOTHER BRITISHER DISCOVERS AMERICA.....		86
CONSOLATIONS OF A CONSUL.....	LAURENCE SALISBURY	90
RECENT FEDERAL TRADE CASES.....		94
CHIPS FROM THE EDITOR'S WORK BENCH.....		98
GOVERNMENT AIDS TO BUSINESS.....		104
CHAMBER "DO'S" AND "DON'TS"—IV.....	COLVIN B. BROWN	108
NEWS OF ORGANIZED BUSINESS.....	ROBERT L. BARNES	110
ON THE BUSINESS BOOKSHELF.....		119
HUMAN NATURE IN BUSINESS.....	FRED C. KELLY	122

Vol. 15

## NATION'S BUSINESS

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As the official magazine of the National Chamber, this publication carries authoritative notices and articles in regard to the activities of the Chamber; in all other respects the Chamber cannot be responsible for the contents thereof or for the opinions of writers to which expression is given.





## “Send that message as a RADIOGRAM ‘VIA RCA’”

Speedy, accurate messages—direct to the country of destination without relay! Radiograms are the modern means of international communication. Their directness is worth dollars to corporations that trade with overseas firms. That's why well-posted executives tell their secretaries, “Telephone for an RCA messenger. Mark that message

### “Via RCA”

In New York, Boston or Washington, phone for an RCA messenger for speedy Radiogram service. In other cities file Radiograms to Europe and South America at any Postal Telegraph offices; to Japan, Hawaii and the Dutch East Indies at any Western Union office.

Send Today for Radiogram Rate Sheet

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WASHINGTON, D. C., 1110 Connecticut Avenue, Main 7400	
CHICAGO, 10 So. La Salle Street.....	Dearborn 1921
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HONOLULU, T. H., 923 Fort Street.....	6116

I can't argue with it enough. I get *The Nation*, and *The American Mercury*, and read 'em and have a good time getting mad at 'em.

“But when I read your magazine, and I do read it, I can't get really mad. It's sensible, it's interesting, but it's only now and then that it riles me.

“I remember a hard-headed lawyer friend of mine. He used to go to the Episcopal church in our town when old Dr. Davis was rector. Nicest man you ever knew, Dr. Davis was. Everybody loved him, even my lawyer friend.

“And,” said the lawyer to me one day, “the old doctor is a mighty good preacher. I don't know any man I'd trust more. I can go to sleep at the front end of one of his sermons and wake up at the other, confident that he hasn't said a word that would upset any one.”

“But,” the Plain Talker went on, “if *NATION'S BUSINESS* doesn't make me mad, I guess it makes other people mad, and they're the ones you want to get at. I see things in the newspapers every now and then that indicate that you're getting under some one's skin.”

But what the Plain Talker said bothered me not a little. Is *NATION'S BUSINESS* too sugary? Do other readers feel that they agree with it too readily, that they'd like more pepper and vinegar, more muck-raking, in fact?

And if our readers agree with us isn't that true of other publications? Don't the readers of those most radical magazines, the most earnest of the Babbitt-baiting periodicals, find themselves in constant accord with them?

There was at one time a good deal of talk of interchange of professors between foreign and American universities. Perhaps an interchange of readers between certain magazines would be interesting if not helpful. Perhaps a forced reading of *NATION'S BUSINESS* by a group of subscribers to *The New Masses* would be helpful. And maybe the Board of Directors of the United States Chamber of Commerce might read *The New Masses*, *The Nation* or the *Locomotive Engineers' Journal* before they attend their meetings.

THE Plain Talker got away before I had a chance to say that we sometimes do make our readers angry. I wanted to tell him the lumber industry was angry enough at Dr. Wendt's story in August and felt that he had misrepresented that great industry. For days we received letters telling us what an unspeakable lot we were for printing the piece. Before we got through I felt I'd written a letter discussing the article to every tree in America.

And that's not the only case, heaven knows, as our daily mail attests!

*NATION'S BUSINESS* has never called itself “a magazine of protest” or “a journal of revolt.” It's a magazine about business for business men. It believes that business is too ready to accept as true the fault-finding of the muck-rakers who cry out that business is low and unworthy and dishonest.

*NATION'S BUSINESS* does not believe that business is all good, but that business is



# FOR STRENGTH AND PERMANENCE

## REINFORCE WITH NATIONAL REINFORCING

*Add the Strength of Welded Steel Fabric to*

### Stucco

HOUSES  
BUILDINGS  
"OVER-COATS"

### Concrete

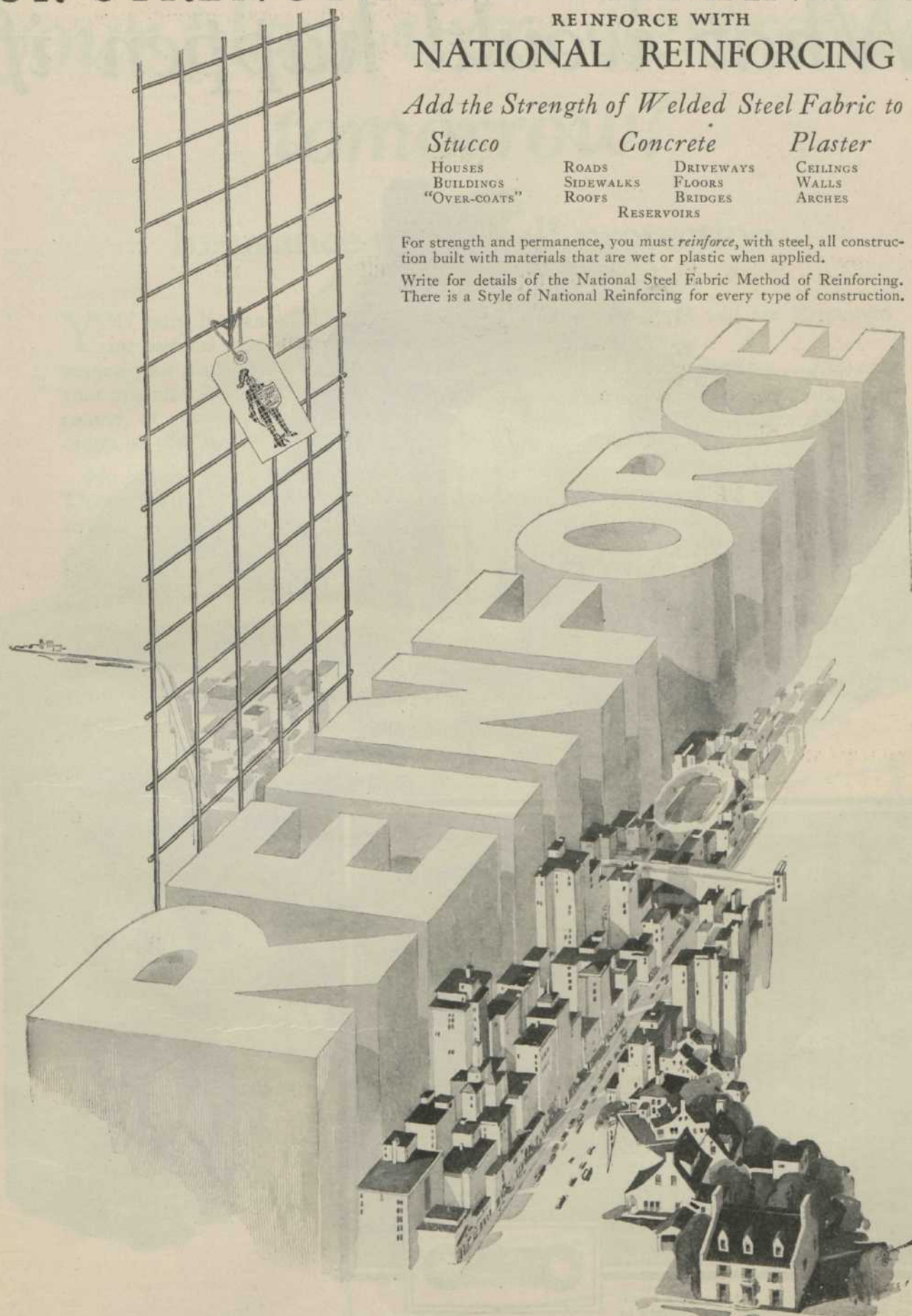
ROADS  
SIDEWALKS  
ROOFS  
DRIVEWAYS  
FLOORS  
BRIDGES  
RESERVOIRS

### Plaster

CEILINGS  
WALLS  
ARCHES

For strength and permanence, you must *reinforce*, with steel, all construction built with materials that are wet or plastic when applied.

Write for details of the National Steel Fabric Method of Reinforcing. There is a Style of National Reinforcing for every type of construction.



**NATIONAL STEEL FABRIC COMPANY** SUBSIDIARY OF **PITTSBURGH STEEL CO. PITTSBURGH, PA.**  
OFFICES IN MANY PRINCIPAL CITIES—SEE TELEPHONE BOOKS FOR ADDRESSES  
**WORLD'S LARGEST MANUFACTURERS OF WELDED STEEL FABRIC**

*When writing to NATIONAL STEEL FABRIC COMPANY please mention Nation's Business*



# What would happen if



Richards-Wilcox Fire Doors and Fire Door Hardware—to meet any requirement—are covered in a complete catalogue. Send for your copy.

R-W Fusible Links are furnished for different degrees of temperature to meet any requirement.

When writing to RICHARDS-

1229 - 25th St. N.W. Wash. D.C.



# your plant were destroyed tomorrow?

## Insurance is not full protection

**Y**OU carry insurance, of course. Every sane business man does. But if fire destroyed your plant, what would become of your organization, of your dissatisfied customers, of your trained employees, of the orders on your books?

No fire can pass automatic FyeR-Wall Doors. They are a sure and positive protection to any building. FyeR-Wall Doors are made of corrugated galvanized sheets with heavy asbestos between. The hardware and operating equipment is automatic and positive.

They do the work and are guaranteed for twenty-five years.

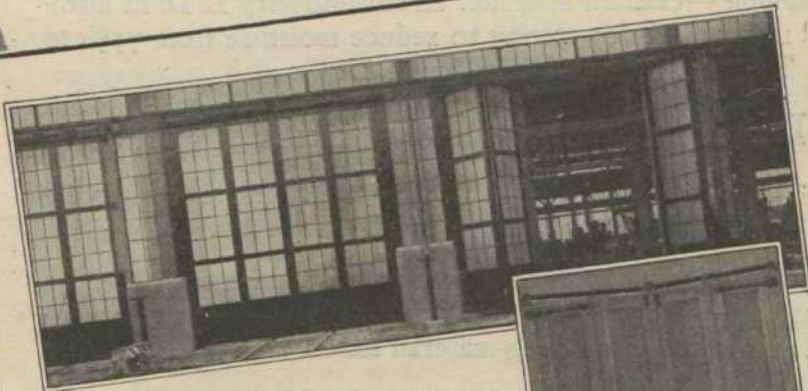
FyeR-Wall Automatic Doors cost no more than tin clad doors. They cost nothing for maintenance. They last as long as the building. And they *save money*. You get a 15 to 25% lower insurance rate on your buildings when they are equipped with FyeR-Wall Automatic Fire Doors. Both the doors and the hardware, after passing the highest laboratory tests, carry the label of the Underwriters Laboratories.

## Richards-Wilcox Mfg. Co.

"A Hanger for any Door that Slides."

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New York Boston Philadelphia Cleveland Cincinnati Indianapolis St. Louis New Orleans  
Chicago Minneapolis Kansas City Los Angeles San Francisco Omaha Seattle Detroit  
Montreal • RICHARDS-WILCOX CANADIAN CO., LTD., LONDON, ONT. • Winnipeg



### Slidetite for doorways of any size

There is no industrial doorway problem, large or small, that R-W equipment will not solve.

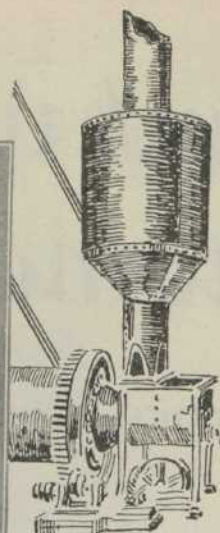
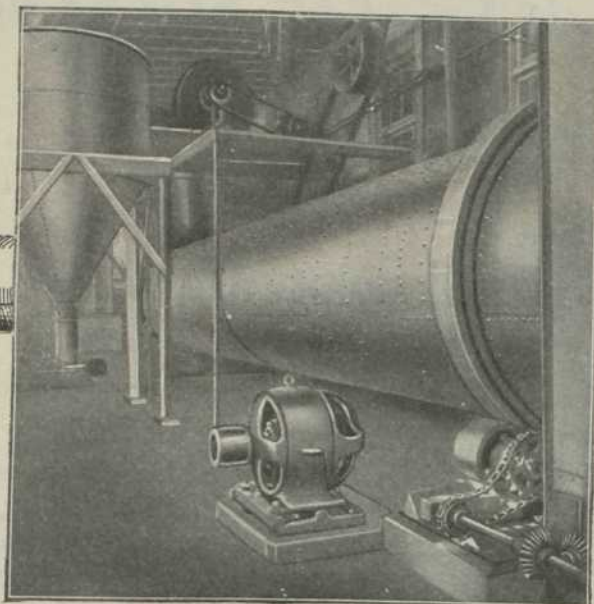
Slidetite industrial door hardware, as illustrated, is most practical for any opening up to 30 feet wide. Doors so equipped operate with amazing ease, and when opened the doorway is clear from jamb to jamb.

The Richard-Wilcox engineering department will gladly advise with you regarding your doorway problem. Ask for one of these engineers to call on you. There is no obligation, of course.





Louisville Dryer installed in plant of Welch Grape Juice Co., Westfield, N. Y., drying grape pomace.



LOUISVILLE  
STEAM TUBE  
DRYER

# L. D. E.

## Reduced Investment Two-Thirds Cut Operating Costs One-Half

FOR almost forty years Louisville Drying Engineers have been saving vast sums in the drying of organic and inorganic materials in a wide variety of industries.

Example—calcium arsenate. In this industry L. D. E. introduced mechanical dewatering to reduce moisture from 75% to 44%. They then dried the product with

### Louisville Rotary Steam Tube Dryers

with an investment of two-thirds less than for previous equipment and at a saving of one-half in operating costs.

In many industries their methods and equipment have also increased the value of the dried materials and have made additional savings by eliminating material losses.

If you dry bulk materials of any kind L. D. E. offer you their expert services. Without obligation they will study your problems and submit their report with recommendations of the most efficient and most economical equipment. Write us and let us show you we can do for you what we have done for others.

**LOUISVILLE**  
DRYING MACHINERY  
COMPANY, Incorporated  
**Louisville, Ky.**

When writing to LOUISVILLE DRYING MACHINERY COMPANY, INCORPORATED, please mention *Nation's Business*

90 per cent good, and the other 10 per cent growing better.

NOT a "journal of protest," but a magazine about business for business men. This letter from Edward P. Shattuck of Shattuck, Bangs & Winant, attorneys and counsellors-at-law, 42 Broadway, New York, is in point:

I read with special interest "Hurdles on the Trade Tracks," in *NATION'S BUSINESS* for December. In the ten minutes devoted to this reading, I got a far better idea of the problems involved in the subject of trade barriers than all the considerable reading which I have done on this subject. You have put it most cogently and have very forcefully illuminated this problem and I want to thank you and congratulate you.

Such a letter from a man of Mr. Shattuck's broad perspective and intimate knowledge of world affairs is evidence that *NATION'S BUSINESS* is hitting somewhere near its target, "information about business for business men."

THAT business methods are getting better was set forth not long ago in an article by R. Perry Shorts, vice-president of the Second National Bank of Saginaw. He said flatly that in his business lifetime the change had been markedly for the better. What he had to say evidently met with our readers' approval, as is shown by this letter from him:

*NATION'S BUSINESS* must be read by business men throughout the country more thoroughly than one might surmise.

During the last month I have received letters commenting on my little article from Seattle, Los Angeles, Kansas City, Indianapolis, Chicago, Detroit, Hartford, Boston, New York and several smaller places. These letters were all from prominent business men. As a sample I enclose a letter just received yesterday from Mr. \_\_\_\_\_, president of the \_\_\_\_\_ Trust Company, one of the best trust companies in the central states. Please return this letter to me for my files.

The article was also reproduced in the November edition of *The Reader's Digest*, and was quoted in a number of newspapers.

I also received request from the U. P. C. News Service, Inc., 243 W. 39th St., New York, for permission to use their prepared editorial (copy enclosed) for publication as their national feature, in their long string of syndicate newspapers throughout the country.

At the risk of appearing immodest, I am calling these matters to your attention, because I know how interested you are in the success of *NATION'S BUSINESS*, and you cannot but be pleased to learn of such proof that it is thoroughly read by business men in all parts of the country.

GEORGE HICKS, General Secretary of the Amalgamated Union of Building Trade Workers of Great Britain, recently visited the United States. On his return he submitted to an interview in which he soothingly said that American prosperity was a myth. To quote:

The spending power of their money is very much lower than ours, and, in fact, the dollar is valued at just about the equivalent of our shilling here. It cost me \$1 to have a shave and a hair-cut and twenty cents to have my boots cleaned.

If Mr. Hicks is really in earnest, we'll



undertake to get his boots shined the next time he visits us, for a dime, ten cents—that is, if he offers no unusual expanse of surface for improvement. And as for a hair-cut, well, we can get him one on the Bowery equal to the average London tonsorial effort for fifteen cents and no questions asked.

That is, if he is in earnest. But if his talk of big and unusual prices is merely the prelude to the presentation of an expense statement to the Amalgamated auditor, then the above doesn't go. We've made out expense vouchers ourselves!

**PROFESSOR DR. WILHELM ROPKE** of Jena University, Germany, drops in to tell us he is using *NATION'S BUSINESS* in his classes. The youngest of journals in the oldest of universities!

**JUST TO** head off any more letters calling attention to our error in attributing the work of making a silk purse out of a sow's ear to Wilmington, we hasten to say this contribution to philosophy—not to say chemistry—belongs to Arthur D. Little, Inc., Cambridge, Massachusetts.

**COMES** now Brother Arthur Brisbane to join this journal's campaign for less laws, less government and service (see Congressman's Temple's article in this number) by bureau and commission, and less taxes. He says:

Where does your income tax dollar go? Senator Capper, of Kansas, gives part of the answer: "On public payrolls in 1913 there were 1,785,000 names. Now there are 2,600,000 names."

One in ten of all that earn their living in the United States are on some public payroll. It costs the average family in taxes \$125 a year to pay the salaries.

Consider special commissions created in Washington. There are scores. Congress is asked to create 15 more; one to investigate the Mountain Meadow massacre that happened 75 years ago.

Twenty years ago there were 14 special government agencies in Washington. Now there are about 100. The cost has gone up from \$1,000,000 a year to \$75,000,000. There is still room for economy.

**THOSE** lethargic souls who refuse to be aroused by our clarion calls to rise against "government and more government" may well ponder the request of an ardent, but cautious young lover of Chicago, who wrote the Department of Domestic Affairs, Washington, as follows:

I am a young man and am about to be married. Could you be kind enough to send me any literature in regard to ideals which the government advocates toward marriage and the size of the family the government wants one to have?

Consideration of the young man's anxiety and his natural appeal to Washington should not provoke the unsympathetic smile. Have we not, by our paternalistic activities, led citizens to expect just such counsel and direction? Shall a nation whose government bureaus boast of helping mothers prescribe castor oil for their babies, emit the raucous horse-laugh when

# Men from Missouri

## Have Been SOLD



Illustrated to the left is the former cast iron foot bracket. The two-piece pressed steel redevelopment is produced at the right.

**EVERY** SINGLE CUSTOMER for whom our engineers have redeveloped cast iron parts into pressed steel has been "from Missouri" at the start.

We never get an order until we prove that pressed steel gives substantial saving advantages over castings. And many of these savings are amazing!

An interesting example is the foot bracket used on a spray pump. This bracket was a thin, two-piece casting 15" long that required one machining and two drilling operations. It was not only expensive to make but also subject to breakage because of its length.

YPS redevelopment engineers designed a two-piece pressed steel bracket that required no drilling, no machining and which could not break under any circumstances. They reduced the cost of the part over 50% and then for good measure cut the weight by seven ounces or over 20%.

This example illustrates in a clear way how we can also redevelop many larger and more intricate castings into pressed steel parts.

Perhaps you are "from Missouri"

and are using cast parts on which you want to cut costs. Send us a sample or blueprint—no matter what the size of the part, the larger the better—and we will gladly tell you whether pressed steel will make a saving or improvement for you. And remember this—when designing a new machine, write our engineers and get the facts on pressed steel. We can save you money right at the start.

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a taxpayer asks for a prescription as to the size of his family?

Heaven forbid!

"Let Washington Do It," is becoming our national motto, and bids fair to supplant the time-honored "In God We Trust" on our quarters and dimes.

A CORRESPONDENT, commenting on our remark that the Government had not yet taken up the question of the disposal of my used safety razor blades, writes that he, too, has patiently waited for a similar service and has at last been rewarded. Says he,

I am a bath-house attendant. For years I have eagerly waited for the Government to establish a training school for bath-house attendants. Now it has been done. I see by the papers that the Department of the Interior has just announced establishment of such a school and that "bath-house managers have found the new educational work of the Government of great assistance in enabling them to secure trained, competent attendants, for which there is an increasing demand during the winter season."

There seems to be a catch in it, however. I had planned to attend, but now I fear the course is too stiff. The Department states that "75 took all or part of the course, 51 took final examination, with 37 attaining a passing average."

What I want to know is this: If I take the course and flunk the exam., will the Government make me give up my profession?

MOST interesting news item of the month:

Six government vessels, built for coast guard service in prohibition enforcement, were christened with the "traditional champagne bottle."—*New York Times*.

AS EMINENT a lawyer as Mr. Root infers that as a result of our law-making habit, not even the lawyer can know all the law. It is but natural, then, that administrative officials should be lost in its maze and tangles. In this connection I recall a story, told by Senator Mansfield M. Neely, of West Virginia.

A tax assessor was assessing the real and personal property in Shantytown. He came to Pat Sweeney's place and found that all of Pat's goods, wares, and merchandise were within the exempted list. As he was leaving the Sweeney place, he noticed a young goat frisking about in the small grass plot at the front of the house. Pat sat on the doorstep smoking his pipe. The assessor took out his book and wrote an entry:

"Pat Sweeney. One goat..... \$4.00."

Turning to Sweeney, he said:

"Yon goat is the only property you have, Pat, that isn't within the exemption."

And Pat said:

"And phwat is its value?"

"\$4.00," replied the assessor.

"The spalpeen ain't worth \$4.00," rejoined Pat.

"But," said the assessor, "I can show you right here in the printin'." And taking his pamphlet copy of the tax statute, the assessor showed Pat this language:

"All property abutting and abounding on front streets, \$2.00 a front foot."

*M.T.*





## "D'you mean to say this inventory shows \$60,000 more than last year's?"

To him, as to many another executive, inventory-time brought its quota of surprisingly bad news.

But he, unlike many, took immediate action. He determined that future inventory surprises should be impossible, that the hidden negative facts about stock must show up every day of the year just as forcefully as the obvious, positive ones.

He made sure that every possible dollar of capital should be released from frozen stock investment and turned into working capital.

The remedy he used was simple, direct, extremely efficient:

He called in the Acme Visible Record man—an expert on stock-control records. A

brief sketch of the situation and a look at the old records were enough.

A new form was drawn up, revised, adapted. Within a month, Acme Visible Equipment was carrying all stock records, signalling current needs, preventing overbuying, indicating *exactly* the stock on hand. Inventory of 4,000 items can now be taken at a few hours' notice, without surprises.

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## What's Around the 1927 Corner?

**W**E HAVE just closed two years of national prosperity.

Our prosperity in general during the period has been based on what we term key industries. Yet some of our key industries have not prospered. In fact serious depression prevailed during some part of the time in several of them. Lumber, shipbuilding, coal, pottery, boot and shoe trade, and corn and cotton in the agricultural field, have witnessed trying times. The net result, however, has been a prosperous nation.

The combination of these facts made many worry over the future prospects. Those who seem to see something unreal in our prosperity overlook, I think, a number of things that have greatly changed our business philosophy in the last decade. Time was when every extended period of good times presaged business depression. Many of us are today judging the present entirely by the historic past. Cycles become almost a religion with us. To ignore the experience of the past is folly. To determine the future by past experiences without recognizing the new factors in our economic life is more folly.

**T**HERE seems to be no disagreement on the facts regarding fundamental soundness of business. Credit is ample for legitimate needs. Inventories are low. Economy in national government is releasing funds for reduction of debt and at the same time reducing taxation. Notwithstanding exceptional consumption of merchandise and extension of consumer credit, our savings are growing. Confidence in the honesty and integrity of business is continuing and restrictive laws are giving way to self-regulation. Our Federal Reserve System has demonstrated its value through our major deflation period and its strength as a balance wheel in lesser disturbances.

With conditions as favorable as the facts and figures show them, we ought to go forward into the new year with confidence. The test before us is whether we will distinguish between danger signals and bogeys. I am encouraged by our progress in sane analysis. We need more of it. We are too prone to diagnose fear as conservatism. I like rather to think of conservatism as courage with caution.

Isn't it possible when we are thinking of the curtailment in some important industry to remember that American genius is developing new products which may more than replace the curtailment? Only fifteen years ago the automobile industry was too small to be an important factor in our business life. Yet in that short period of time the

By **JOHN W. O'LEARY**

*President the Chamber of Commerce  
of the United States*



PHOTO BY HARRIS & EWING

John W. O'Leary

industry has advanced to a first position and has been a large factor in our industrial advancement. The radio industry has developed from an idea to four hundred million dollars of sales in one year. With the aeroplane in its infancy, chemical research working day and night, science advancing, is it not possible that we may have new and striking development to take up some of the slack when it comes?

Within the memory of the majority of the readers of this article the beginning of a period of deflation or business slump brought first a reduction in wages. The immediate result was a lower cost, but the consequent reduction of purchasing power of the wage earner soon brought further restriction of volume and consequent increase of cost.

**T**HE NEW philosophy which appeared consciously or unconsciously at the beginning of the after-war deflation reversed the process of reducing cost. Every factor entering into cost was analyzed and improvement in method, elimination of waste, and standardization were put into practice. The determination to defer wage cuts until all other factors had been dealt with was uppermost in the mind of the American employer. The employee cooperated with enthusiasm. The resultant team work brought lower commodity prices. We began to understand the difference between money wage and real wage. We developed a new term, "consumer purchasing power." We liked it sufficiently to cultivate it. The expansion of a century-old method of merchandising, "instalment credit," added to the consumer purchasing power and the prosperity begun under a new wage philosophy was extended.

It is not hard to see how much this had done to make our prosperity not only apparent but real; not only a mounting structure, but a structure which is built on sure foundations. Those who doubt the soundness of our prosperity are likely to say:

"But aren't we mortgaging our future? Aren't we plunging headlong into debt? Look at the debts of our states and cities! Look at instalment buying!"

The easiest thing in the world is to take a word or a phrase and make a fetish of it. We in the United States, I sometimes think, are peculiarly apt to do this, to make a fetish of a phrase, to turn word-worshiper.

This word worship figures largely when we talk about the debt situation in this country. We are apt to jump at



conclusions based largely on the constant repetition of words.

So with the phrase, "mortgaging the future!" Keep saying it over and over, and in time we shall come to believe that it is something mysterious and deadly.

It isn't so much being in debt; it is being insolvent that counts.

There is no accurate measure of the debt, public and private, of this country, but some of it we know, some of it we can guess at. Our national debt we know, and we know how we incurred it. It might be said that we bought a war on the installment plan and are paying for it at a good rate. Not even the United States can pay cash for a war. We owed something more than 24 billion dollars at the end of the war. Now we owe about 19½ billions, and in the face of that reduction we have curtailed our federal taxes—surely not a record to cause alarm for the future. With a national wealth of \$350,000,000,000 we are not in danger.

### Three Billion Civil War Debt

WE ended the Civil War with a debt of almost three billions, and there were prophets of disaster then who saw the country ruined by the debt, but we paid it and came into a period of tremendous development.

I doubt if a resident of Neptune, our farthest-away planet, would, if he held a 19-billion-dollar first mortgage on the United States, worry much about his security or be in haste to foreclose.

Our burden of federal taxation is lessening, and gives promise of continuing to lessen.

In looking at our state and city debts we come to another of those phrases that pass unthinking from mouth to mouth and become accepted as facts. We have grown used to hearing that our states and cities are running headlong and dangerously into debt. It is true that our state, county and city debts are increasing rapidly.

For the past half dozen years we have added annually between a billion and a billion and a half dollars, until at the close of 1925 the net indebtedness of state and local governments in this country was 11 billion, 650 million dollars. Big figures, but not necessarily frightening figures.

The question might well be approached from the other end—the end of what we are getting for our money.

Much of the state and city indebtedness has gone into permanent and valuable additions of the states' capital investment. The states are spending for highway and the communities for schools. More than a quarter of the states' increasing indebtedness goes to roads, nearly a quarter of the cities' for schools.

### First Auto, Then Road

GIVEN the automobile, we had to have the road and no one who has seen the change that the two together have brought into farm life can question their value. Think of the farmer who lived 10 miles from town a quarter of a century ago. To town and back was a day's work

and a full day. Now it's a casual incident of the day's work.

That certain states and cities are going too fast is true. They are not studying to see what they are getting for their money or how they will pay. It is undeniably true that many of them need better budgeting, more careful looking ahead. But, from the standpoint of destruction of national prosperity we need not be concerned for the future. Our cities are heavily burdened with debt and taxation, but it must be recalled that much of the expenditure has resulted in added property values along with a greater livableness.

Turning from our public debts, of which a reasonably accurate account is kept, we come, in discussing corporate and individual debt, into a field where figures are largely conjecture, but where we know something of the changes in the way in which this part of our debt structure is built up and of the increasing solidness of its foundation.

What is the bonded indebtedness of the corporations of this country? We know that of the railroads, which is some 12½ billions. We know that there are about 5½ billions of industrial bonds listed on the New York Stock Exchange. My own guess—and it is only a guess—is that there are at least as many unlisted industrial bonds. This would give a figure roughly comparable with the \$22,700,000,000 estimated by the Federal Trade Commission.

### A Carefully Studied Debt

BUT the prime thing to be remembered is that this industrial bonded debt, great as it is, is a carefully scrutinized debt, a debt which has very largely been incurred in adding to the country's wealth and to the corporation's permanent capital. It is a debt which has been incurred largely with the approval of good banking advice.

Any estimate of industry's current day-to-day indebtedness would be a wild guess. It need only be recalled that we have on deposit in our banks perhaps fifty billions of dollars, and be recalled, also, how great a part of that is at work in the shape of loans, discounts, acceptances and other forms of indebtedness, to see how great the total amount of current indebtedness is.

But whatever the figures are, it is certain that the method in which these loans are made is sounder than ever before. The days when the banker looked the customer in the eye and decided that he had an honest face and loaned him money on the theory that if the borrower had the money he would pay, are gone by—if indeed they ever quite existed.

### An Improved Credit Basis

THE CREDIT situation in this country in relation to smaller business borrowers has been greatly improved in the last few years. And here we come again to one of those phrases which we use without always considering their real meaning—"hand-to-mouth buying." In the common talk of an earlier generation, folk who lived "hand-to-mouth" were shiftless. Today hand-to-mouth living in business is the very opposite of that. The railroads have greatly improved their efficiency, and the result has been smaller stocks and quicker deliveries. There has followed quick turnover, and money working more.

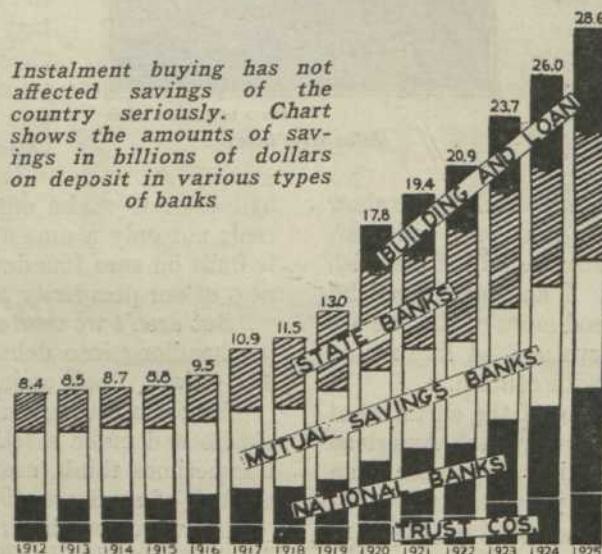
We should not forget in considering individual credit the constant growth in thrift in this country. Our savings deposits increased in this country from 8½ billions in 1912 to nearly 21 billions in 1924. Life insurance in force—and life insurance under modern methods is investment as well as insurance—has gone from 8½ billions in 1900 to \$76,000,000,000 in 1926—fire insurance to \$125,000,000,000, protection of more than one-third of our national wealth. Enormous figures, and something to keep in mind when "mortgaging the future" begins to worry.

### Thrift is Not an Accident

THE record of the last two years is not an accident. It is not a windfall, a piece of good luck, or an evidence that fortune habitually smiles upon us with special favor. The cold record of statistical facts shows to all who wish to know that for the measure of national prosperity which has come in the last two years we worked hard. We have striven to make each application of labor produce more than it ever produced before. We have been exerting ourselves to get greater efficiency. In that effort the figures show that we have been successful. There is no other possible explanation for the upward course of the wage level in the United States since 1919 and the downward course of the price level. For different industries the federal Department of Labor has been making some studies through which it shows striking increases in productivity. The Secretary of Commerce has pointed out in the report which he published at the end of November that the railroads have recently been performing 43 per cent more work, in ton-miles of freight moved, than in 1913, but with only 2 or 3 per cent more employees.

It is gratifying to note a continuing attitude of confidence on the part of the public toward business. We have passed through another year in which the demagogue, who

*Instalment buying has not affected savings of the country seriously. Chart shows the amounts of savings in billions of dollars on deposit in various types of banks*





finds his greatest joy in attacking business, has had poor encouragement. Railroad baiting and trust busting do not strike a popular chord. And it is more gratifying to find that this confidence is fully merited. By every test which can be made we find that the distribution of wealth and earning power in the United States is fairer and more equitable than anywhere in the world, past or present. The accumulation and distribution of this wealth and earning power has been through the genius of American industry. Almost unhopd for high standards of living and contentment have resulted from the encouragement of

individual initiative. That the retention of the present public attitude demands from business the jealous guarding of high ideals and more and more of self regulation of our business conduct is the belief of the Chamber of Commerce of the United States.

After all, we know when we are passing the borderline of good ethics and of honest practice and we should so conduct ourselves that watchmen in the form of restrictive laws are unnecessary.

We ought to be happy. We ought to be encouraged. We ought to have the courage to continue to conduct our business on the

same basis on which it has gone forward so successfully during the past two years, but there is always the danger that we will face the future with fear and adopt some new bogey to disturb the even flow of good business. He would be a superoptimist who would be sure that we have discovered the secret of perpetual prosperity, but the experience of the people of the United States since the major deflation period after the war ought at least encourage us to believe that business has learned many lessons and that we can face the future with a confidence that with sane facing of facts our national prosperity will continue.

## Is There a "National" Farm Problem?

*Farm distress shifts from year to year, from crop to crop, resulting in a series of regional problems*

By JULIUS H. BARNES

**T**HERE IS no all-inclusive farm problem. Farm distress shifts from year to year, from crop to crop, and the unprofitable commodity, today, becomes the source of farm income, tomorrow.

Generalization, which in 1920 would have unwarrantably denounced the farm as greedily unfair because the capital value of agriculture—far ahead of other industry—had raced in twenty years from twenty billion to seventy-eight billion dollars' value, should not today picture the farmer as on the road to peasantry.

Agricultural generalizations are likewise misleading when they lump averages such as those of two states where 56 per cent and 59 per cent of farms, so called, are patches farmed largely by illiterate negroes. A single mule—or none at all—does not average well with the tractor and machine equipment of the progressive modern farmer. Yet these two types, opposite as the poles, are included in generalizations which purport to strike the average for the farm.

Generalized statements as to the earnings and the future opportunity of the American farm, too, may be misleading when based on averages which include such wide range of types as tobacco, peppermint, celery, persimmon farms, orange groves, raisin, prune, and apple orchards, cattle ranges, wheat farms, dairy farms, corn farms, and the like. Such generalizations discourage and defeat a study of those particular forms of farming which need immediate and specialized advice and help.

So, too, with the generalization of despair based on figures showing shifting relation between urban and rural population, picturing a flight from the unprofitable farm to the profitable employment of the city industry. Since food production is fully maintained with fewer farm workers, this view pictures something lost in national character and vigor. It makes no allowance for the extension of urban limits by

the recent service of the automobile and electric transport. The city dweller now daily travels from town congestion into healthful suburbs that rank with the old-style farm for health and character building.

If it is true that in the past we have drawn our best types of mental and physical vigor from the farm; isn't it a little early to express fear of physical, mental and moral deterioration on a national scale when the march of invention of the last twenty years has made it possible to conduct modern business in the business centers and yet provide the American family with open space and fresh air?

The demand that agriculture have an equal opportunity with other industry needs no buttressing by misinterpretation of the growth of city population as involving deterioration in the fibre and tone of citizenship. Farm problems and remedies to alleviate recurring inequalities that occur in its manifold forms should be treated in a self-respecting manner and approached with confidence.

Two years ago wheat was the low pressure area of farm distress. It was loudly

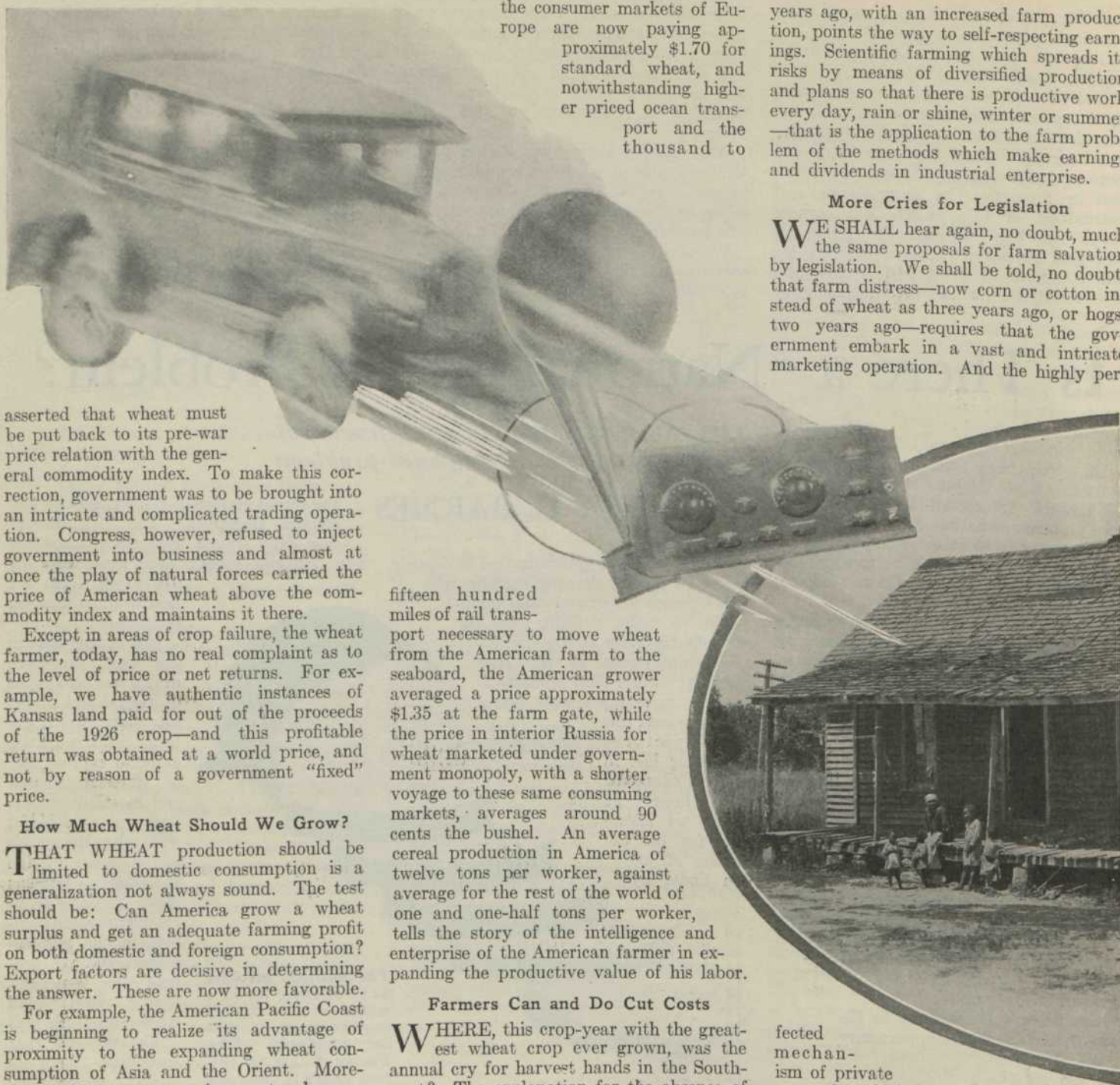


*The millions of Asia are eating more wheat—a sure sign of improvement in living standards. The Pacific Coast is getting ready to improve its advantage of nearness to this market*



PHOTOS BY EWING GALLOWAY AND HI WILLIAMS





asserted that wheat must be put back to its pre-war price relation with the general commodity index. To make this correction, government was to be brought into an intricate and complicated trading operation. Congress, however, refused to inject government into business and almost at once the play of natural forces carried the price of American wheat above the commodity index and maintains it there.

Except in areas of crop failure, the wheat farmer, today, has no real complaint as to the level of price or net returns. For example, we have authentic instances of Kansas land paid for out of the proceeds of the 1926 crop—and this profitable return was obtained at a world price, and not by reason of a government "fixed" price.

#### How Much Wheat Should We Grow?

**T**HAT WHEAT production should be limited to domestic consumption is a generalization not always sound. The test should be: Can America grow a wheat surplus and get an adequate farming profit on both domestic and foreign consumption? Export factors are decisive in determining the answer. These are now more favorable.

For example, the American Pacific Coast is beginning to realize its advantage of proximity to the expanding wheat consumption of Asia and the Orient. Moreover, when ocean carriage rates become once more in the profit area, America's 3,600 miles against Argentina's 6,200 and Australia's 11,000 miles will reflect to American wheat the advantage of proximity to Europe's consuming markets. The rising tides of living standards of the world have, in all history, been first reflected in the change of food preference from lower grains to wheat.

Wheat areas of the world are not unlimited, and America, fortunately, is one of the areas adapted to the production of this food staple.

There may come years of depression in wheat by reason of temporary overproduction, but the tide of world tendency will be for increasing consumption of wheat, and the American farm with its adaptation to machine methods, in a world market of restored stability, can ordinarily make a profit in competition with the ineffective and unintelligent labor of backward countries.

This is strikingly shown by the fact that

the consumer markets of Europe are now paying approximately \$1.70 for standard wheat, and notwithstanding higher priced ocean transport and the thousand to

fifteen hundred miles of rail transport necessary to move wheat from the American farm to the seaboard, the American grower averaged a price approximately \$1.35 at the farm gate, while the price in interior Russia for wheat marketed under government monopoly, with a shorter voyage to these same consuming markets, averages around 90 cents the bushel. An average cereal production in America of twelve tons per worker, against average for the rest of the world of one and one-half tons per worker, tells the story of the intelligence and enterprise of the American farmer in expanding the productive value of his labor.

#### Farmers Can and Do Cut Costs

**W**HERE, this crop-year with the greatest wheat crop ever grown, was the annual cry for harvest hands in the Southwest? The explanation for the absence of harvest labor shortage rests in the fact, computed by competent authority, that cash expenditures for farm labor in eighteen leading states dropped in five years from 550 million dollars annually to 420 millions. Into whose pockets goes that annual saving of 130 millions? Isn't there a ray of hope in the fact that farm economies following inventive genius may put farming where it belongs—in the status of a self-supporting and profitable industry?

Protest against efforts to inject government into highly intricate and hazardous enterprise on the theory of farm relief must not falter. Such efforts retard the progress of proper solution.

The American farmer annually invests three hundred million dollars in farm implements. This equipment promises to maintain American living standards on the farm against the backward labor which still uses the scythe and the cradle. Two million fewer farm laborers than twenty

years ago, with an increased farm production, points the way to self-respecting earnings. Scientific farming which spreads its risks by means of diversified production and plans so that there is productive work every day, rain or shine, winter or summer—that is the application to the farm problem of the methods which make earnings and dividends in industrial enterprise.

#### More Cries for Legislation

**W**E SHALL hear again, no doubt, much the same proposals for farm salvation by legislation. We shall be told, no doubt, that farm distress—now corn or cotton instead of wheat as three years ago, or hogs, two years ago—requires that the government embark in a vast and intricate marketing operation. And the highly per-

fect mechanism of private enterprise which has justified itself by every standard of economy and in service and in marketing, will be reduced in effectiveness by apprehension and the farm price may again suffer from fewer and less confident buyers.

America today is the Mecca of official and private delegations from all the countries in the world. They come to discover just what it is in American industry, highly organized and perfected, that has made the general living standards here the envy of other people.

#### Others Like to Look Us Over

**T**HEY FIND genius for organizing business, based on the valuation of labor in terms of output, not in sordid hours of plodding dullness. America's preeminence in these achievements attracts the interest of the keenest minds of all countries. What a paradox it is that proposals to embark our government in paternalistic projects



should be timed at a moment when socialistic theories are in rout and retreat in Europe! Over there public services—railroads, telephones and telegraphs—are being taken out of government operation and restored to the energy and enterprise of private initiative.

Before asking Congress to put the government into operations which affect the fortunes of six and one-half million farmers and involve farm products of such variety, might it not be prudent to ask business ability and business experience for an opinion as to the practicabilities of such a plan?

The leadership that in 1919 proposed to the U. S. Wheat Director that \$1,300,000,000 of public money be used artificially to establish the five-cent loaf of bread, so that hogs, cattle, cotton, steel, lumber, shoes, and other essentials might return to pre-

index of today. If subsidized five-cent bread in 1919 could have turned back the clock, how would the farmer today relish selling 750 bushels of wheat to buy a flivver instead of 200 bushels—sufficient today?

#### Meeting Hazards With New Crops

**W**HEAT and hogs—in trouble in 1924—today are above the average price, while the farm price of potatoes is now over 200 per cent of the pre-war price. These show the possibilities of diversified farm production in spreading farm hazard through a range of products.

It is frequently charged that business organizations condemn all so-called farm proposals, but do not suggest remedies. Not at all. The voice of business speaks in sober, sound terms and in serious modulations, instead of sounding the paeans of quick and easy panaceas. Business judgment is faced with the task of making clear the fact that the way of ultimate security in agriculture as in all industry rests on sound beginnings that require patient effort—on aims persistently pursued.

Cooperative organization starting from the ground up;

Standardization of product, which means economy of handling;

Security of contracts, which would add to farm price the deduction hitherto representing hazards of contract;

Cooperative ownership and use of expensive but necessary equipment, like threshing machines;

Economy through large scale buying;

Easing of excessive tax burdens by a determined stand for economy in public expenditures;

Exchange of experience which perfects seed and animal strains and improves farm methods;

Research which plans diversification with shifting market outlooks;

These seem such slow steps in comparison with the panacea of government relief!

Stable markets and assured consumption are the aspirations of the farm. Yet where is the so-called farm leadership that has

visualized an effort to secure for the wheat farmer the most stable market in the world—that of America's bread, based on quality and trade-marked brand? Wheat prices may rise or fall; but the ten-cent loaf goes on.

Is it too ambitious to envisage a day when the American wheat grower through cooperative effort, shall produce the right kind of wheat and shall own and control the facilities that reach the consumer and shall put the guaranty of integrity of product back of the trade-marked loaf and thus bind to himself the support of the consuming army, which is not concerned so much with the penny fluctuation in price, as with uniformity of quality and continuity of supply?

In recent years the baking of the individual household is clearly shifting to sunlight baking with the economy of large production. Why should not farm leadership weigh this significant advantage in household habit and bend it to the advantage of the grower?

#### There's No Divine Right in Farming

**T**HE AMERICAN farm is not headed toward peasantry—not those farmed by Americans using American methods. To be sure, an illiterate and shiftless farmer, white or black, is not divinely entitled to his automobile and his radio! Conclusions expressed today after six years of disorganization in world markets on which the American farm has developed cannot be safely used as a basis for farm policies and remedies without great care and scrutiny.

The political philosophy in which this Republic was founded cannot be safely violated under a plea of temporary distress of any section of our people.

Most lives and most callings have periods of stress and strain and inevitable loss. Character develops both nationally and individually by sturdy resolution to solve day-by-day problems as they come.

#### What Constitutes Our Progress

**N**ATIONAL progress rests on the aggregate attainment of its individual citizens. The mainspring of individual effort by which this aggregate is achieved rests on the individual conviction that every citizen has an equal chance and that he will be held secure in the acquired rewards of effort.

The competition of government, whether in railroads or water power or telephone and telegraph, or particularly in the field of commercial operations, involving buying and selling and official judgment as to price, would inevitably undermine the self-reliance and enterprise of any people.

Moreover, the farmer, more than any other, should look askance upon government entry into a field where the 70 per cent consumers of the country may dictate the measure of price to the 30 per cent farmers and point for justification to the precedent set by the farmer himself in demand for special legislation.

The precious stimulant which under stable and sound government has so inspired the effort to American individualism that America has achieved the highest standard of living in the world today, rests on the conception that the authority of government is primarily to preserve fair play.



PHOTOS BY EWING GALLOWAY AND HI WILLIAMS

*A shiftless farmer—white or black—is not divinely entitled to his automobile and radio. The farmer's fortunes, like the fortunes of the rest of us, depend upon his ability and courage in solving every-day problems*

war levels under the influence of cheap bread; the same leadership that in 1924 proposed the measure of farm opportunity to be the average of a commodity index now discredited, is today defending the second line "equalization" trench! The commodity index proposed in 1924 contained such items as cotton, at 270 per cent of pre-war, and rubber at 25 per cent of pre-war price.

Compare this with the position of these two items in the commodity



# Shouting the Battle Cry of Service!

**M**UCH of what is called the cost of government in the United States is not at all the cost of governing the country.

Most of the two hundred and twenty bureaus, departments and divisions of the Executive Branch of the Government are agencies established in response to demands for services not governmental in their nature but which the people believe can better be rendered by the Government than by private agencies.

The Federal Government was established for specific purposes, definitely mentioned in the Preamble to the Constitution. Promotion of the general welfare was one of them, but progress was made slowly along this line.

In Washington's first cabinet there were only three members. Jefferson was Secretary of State, Hamilton was Secretary of the Treasury, and Gen. Henry Knox was Secretary of War. Later in Washington's first administration Randolph was added as Attorney-General.

## Admitted to the Cabinet

**F**ROM the beginning of the union of the thirteen colonies there had been a Postmaster-General, but the office did not attain Cabinet stature until 1829, when President Andrew Jackson elevated his friend, William T. Barry, to that dignity.

The four original departments—State, Treasury, War, and Justice—administer the essentials of government, as does also the Navy Department, which was separated from the War Department in 1798.

The Post Office Department, the Departments of the Interior, of Agriculture, of Commerce, and of Labor perform services

By **HENRY W. TEMPLE**

*Member of Congress from Pennsylvania*

*Illustration by Cesare*

which, to use the language of the Constitution, "promote the general welfare." They are of value, to be sure, but the cost of the services they perform is not in any true sense the cost of government.

It was not until 1849, sixty years after Washington became President, that another department administered by a cabinet officer was created. This was the Department of the Interior, which was made a catch-all to bring together, under one head, various bureaus which formerly had a more or less independent existence.

The Census Bureau and the Patent Office have lately been transferred to the Department of Commerce, but the Department of the Interior still administers such unrelated functions as those of the Bureau of Education, the Government Railroad in Alaska, the Bureau of Pensions, the Bureau of Reclamation for irrigating arid lands, the National Park Service, the Geological Survey with its valuable map-making service, and, through its Bureau of Education, supervises the reindeer industry in Alaska.

Another great service department, not created un-

The Weather Bureau is also in the Department of Agriculture. Its services save many millions annually to the people of the country. Its storm warnings prevent losses in shipping on the Great Lakes and on the sea. Its forecasts of "hot waves" when heeded by the meat packers are of profit to them; its flood warnings, its frost warnings and other services save the country many times the cost of maintaining the bureau.

The Bureau of Entomology makes war against insects harmful to crops or to the health of man and animals. The Biological Survey conducts campaigns for the extermination of predatory animals, makes ex-

*The Interior Department handles such unrelated work as paying pensions to veterans and supervising reindeer herds in Alaska*



til 1889, is administered by the Secretary of Agriculture.

Its Bureau of Animal Industry with the investigation, control and eradication of diseases of animals; inspects and quarantines livestock when necessary, and inspects meat products entering into commerce.

Its Bureau of Plant Industry investigates and aids in the control of diseases of plants, searches the world for new varieties for introduction into the United States or for crossing with our existing varieties for their improvement. The recent expedition of Dr. Harry Harlan to remote parts of Abyssinia with a caravan of forty men and as many animals organized to hunt for seeds of Abyssinian plants for cultivation in America is only one of many successful explorations.

periments in fur farming and does it successfully, administers the federal laws relative to migratory birds. The Bureau of Public Roads cooperates with the states in building roads—units of the federal highway system.

All these and other bureaus of the Department of Agriculture make it one of the greatest of the service departments; but apart from its enforcement of the Packers and Stockyards Act, the Grain Futures Act, and the Food and Drugs Act, this department does little in the way of "governing the people." It is a service department.

So also is the Department of Commerce. It maintains commercial attachés abroad whose reports on trade conditions and prospects are useful to American exporters. Opportunities for the sale of goods are brought to the attention of American firms; commodity divisions, manned by experts,



put the resources of the Government at the disposal of basic industries in the extension of their foreign trade. Services are rendered to exporters of food products, hides and leather, agricultural implements, steel, iron, automotive products, chemicals, coal, hardware, lumber, textiles, and other commodities.

The Bureau of Standards is another agency of the Department of Commerce which renders invaluable service to American industries. It not only controls our weights

and measures, the yardstick and the pound, but it carries on scientific investigations of a great variety of subjects—automotive engines, lubricants, fuel, power transmission, brakes and brake linings; stone, clay, cement and other structural materials; optical glass, sugar, metallurgical research; engineering instruments, sound and radio—and it co-operates generally with the industries in fundamental research to promote industrial development.

In the field of individual research it is helping manufacturers on problems in which their own chemists have found difficulty or for which their own laboratories lack facilities for complete investigation.

#### Some Other Service Bureaus

SOME of the other agencies in the Department of Commerce are the Bureau of Lighthouses, the Coast and Geodetic Survey which performs many services in addition to making charts and maps for navigators, the Bureau of Navigation, the Steamboat Inspection Service, and the Bureau of Mines.

In the Department of Labor are the Immigration Bureau, which administers the immigration laws; the Bureau of Naturalization; the Children's Bureau, which investigates matters pertaining to the welfare of children, questions of infant mortality, the birth rate, orphanage, juvenile courts, dangerous occupations, accidents and diseases of children, employment and legislation affecting children in the states and territories.

In like manner the Women's Bureau investigates conditions affecting the welfare of wage-earning women.

The subject might be pursued further and the illustrations might be multiplied, but enough has been said to indicate that the work of each of these five departments—Post Office, Interior, Agriculture, Commerce and Labor—differs materially in its essential nature from the work of the other four.

The Departments of State, War, and

Navy have to do with the relations between the United States and foreign governments either in war or in peace, the Department of Justice enforces the federal laws, and the Treasury Department collects and disburses the money to keep all the departments going. The functions performed by these departments are essential functions of government.

The functions performed by the Post Office, Interior, Agriculture, Commerce, and Labor Departments, while not essential, are useful and important. The revenues raised and expended for carrying on the essential functions of government are real taxes; those raised and expended for building good roads, carrying letters and newspapers and packages of merchandise, caring for the public health, protecting national forests, providing national parks, developing trade and other such functions are payments made for services rendered by the Government which might be rendered by private agencies.

There has been much larger expenditure recently for these service functions. This is to a great extent caused by the higher prices of all materials and the larger salaries made necessary for government employees as for other people by the higher cost of living. There is also an increase because of the growing demand for services.

If the Federal Government is to aid in the construction of roads, it must have the money to pay for the work. If trade advantages are to be sought by the Department of Commerce, the salaries and other expenses of commercial attachés must be paid.

A comparison will show how appropri-

Commerce Commission, the Civil Service Commission, the United States Shipping Board; nor do they include funds for the Executive Office or the Legislative Branch. Most of the independent offices perform service functions rather than essential governing functions, and appropriations for them might properly be added to the service group.

#### What Our Government Spends

THE TABLES show the appropriations for the fiscal years ending June 30, 1922, and June 30, 1927.

##### For Departments Created for Service

	1922	1927
Agriculture .....	\$48,349,559.00	\$139,275,823.00
Commerce .....	17,265,060.00	29,855,347.00
Labor .....	4,904,835.75	9,536,305.00
Interior .....	344,803,149.67	251,971,818.00
Post Office .....	577,334,257.55	738,805,303.00
Total .....	\$992,656,861.97	\$1,169,444,596.00

##### For Departments Essential to Government

	1922	1927
State .....	\$10,637,789.09	\$16,480,702.90
War .....	396,356,412.41	349,756,911.16
Navy .....	426,191,519.37	321,794,415.00
Justice .....	15,684,728.50	24,094,407.00
Treasury .....	133,025,941.29	129,476,198.63
Total .....	\$981,896,370.66	\$841,602,724.69

Proposals are constantly made to have the Federal Government venture further into the field of service.

It is certain, however, that every additional service will call for additional appropriations from the Federal Treasury, and demands for new services are not in harmony with demands for decrease in taxes.

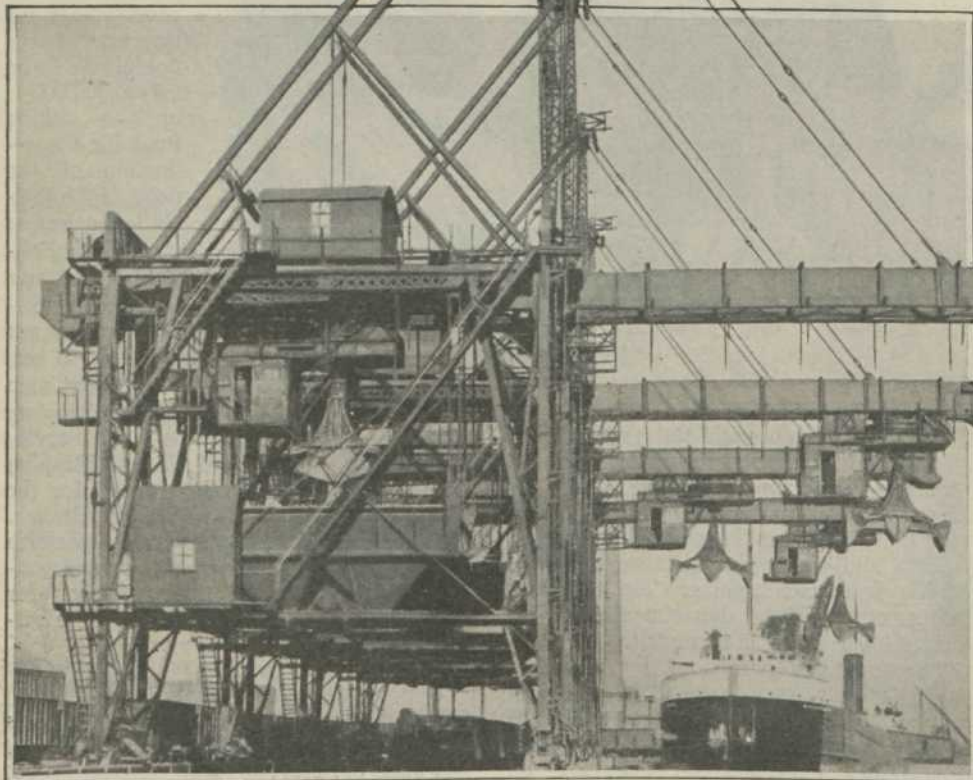
As President Coolidge has said: "It does not follow that because something ought to be done the National Government ought to do it."



The Federal Government is being constantly urged and implored to venture further into "service" activities



*"The heavy load is being lifted by machinery from the back of the American workman. Machinery not only is relieving him of drudgery but to a large extent has made possible increased production"*



# Need We Be Afraid of a Job Famine?

The Department of Labor gives out some surprising figures showing how the machine is replacing the man. Is there a danger of working ourselves out of work?

By

JAMES L. WRIGHT

of those locomotives. The railroads in 1926 carried the greatest freight traffic that they have ever been called upon to transport.

It is true that since the railroads were returned to their owners seven years ago at the termination of war-time federal control nearly \$5,200,000,000 has been spent for capital improvements. The railroads increased the capacity of their freight cars and the tractive power of their locomotives. Consequently engines now in use can pull trains of greater tonnage than they were capable of handling before, and there has been a decrease in fuel consumption.

Improved methods in the classification of freight have expedited movement. For instance, cars loaded with freight consigned to Chicago, and points west, and assembled in the Philadelphia territory are being made up into trains that can run solidly through to Chicago with only occasional stops for the purpose of changing crews and engines. This does away with the breaking up of those trains in intermediate terminal yards, where much of the delay in connection with the transportation of freight has taken place.

## Economy in Internal Delivery

**A**Doption of shop arrangements in the railroad repair shops, similar to those used in automobile factories and other manufacturing plants has been a big factor in greater productivity.

When a car or locomotive now is brought in for repair, it can go through the various stages of repair work, including the paint shop with a small amount of handling. Moreover the railroads are adopting the "stores delivery of material to users at the shops." Delivery systems for the dispatch of materials needed in repair work from the shops to the mechanic on the job have been installed.

In the past, the mechanic or his helper left the job and went to the storehouse for a bolt or some other particular piece of material whenever it was needed. That system was slow and costly. Now materials are delivered where they are needed by men having that work in charge.

The purchase and stores division of the American Railway Association during the

**T**HE AMERICAN workman is making three automobile tires where ten years ago he made one.

Which would seem to outdo Dean Swift's "two ears of corn where only one grew before."

And tires are not alone. All the way from shoes to automobiles, the American worker is turning out more things than ever. He is doing it partly through his own increased efficiency, his willingness to adopt new methods, and partly through the increased use of the many different kinds of machinery.

There are those who can read a gloomy future out of this tendency, who can see a day when the machine will force the worker out to an extent that we shall have a surplus of man power; when the machines will crowd the worker not up but down the ladder.

## Shift of Employment

**B**UT THIS new idea isn't universal. Man is never satisfied. As fewer workers are needed in one industry, new industries grow up demanding their services. The man who made a tire yesterday may tomorrow make a radio or an airplane or he may produce something of which at this time we do not dream.

The figure of man power and tires is but one of a series of nation-wide studies of individual output, just completed by the

United States Department of Labor. They cover a wide range of industries. Secretary James J. Davis announces that these figures, comparing productivity of labor for the years 1914 and 1925, show these increases stated in percentages:

Automobiles, bodies and parts.....	210
Rubber tires and tubes.....	211
Petroleum refining.....	77
Cement manufacturing.....	58
Steel mills.....	54
Iron and steel.....	60
Blast furnaces.....	94
Flour milling.....	39
Paper and pulp.....	33
Leather tanning.....	28
Slaughtering and meat packing.....	27
Cane sugar refining.....	27
Boots and shoes.....	16

On American railways, as well as in American machine shops, there is a greater per capita production.

With the railroads, as with other industries, the laying out of shops and the economical handling of materials has had the result of contributing a very great deal toward increased earnings and greater production.

A practical illustration of what has been accomplished in increased efficiency is found in the fact that the railroads today have fewer locomotives than four years ago, but at the same time there has been an increase of about 10 per cent in the tractive power



past year found that 47 of the leading railroads had shop delivery at least in some degree. Six inaugurated stores delivery of material to shops during the past year and two have inaugurated intershop delivery by store forces. None has discontinued the practice after inaugurating it.

One road reported that where store delivery had been established at one locomotive shop, handling approximately 45 orders per month, and employing 700 men, a saving of \$7,000 a year had been effected. Another railroad reported that at one important yard where store delivery was inaugurated to 245 repairers it resulted in a saving of \$40,000 a year.

Incidentally, almost as a by-product, American industry is manufacturing men, instead of beasts of burden, a result more important than increased output. The heavy load is being lifted by machinery from the back of the American workman. In increasing his output by the percentages shown on the preceding page, the average workman is not being driven harder, is not being brow-beaten and loaded down with additional burdens.

As a matter of fact, machinery not only is relieving him of drudgery, but to a large extent has made possible his increased production with less manual effort. The brain is being used more and the hands less. Instance after instance of this has been found by the Department of Labor in its survey.

Indeed, the universal employment of machines to do the heavy work, and in many cases the finer work that formerly was done exclusively by men, is reducing to such an extent the time required to produce the world's needs that Secretary Davis is one who is a bit concerned about the future. He points out that a machine does not eat food, does not require clothing and does not rear a family.

#### Under-Consumption of Goods

"WE ALREADY have the problem of overproduction or under-consumption," said he to the writer, the other day. "The textile mills of this country can produce all the cloth needed in six months' operation each year. It has been argued to me that if I could conduct a campaign and get each of 400,000,000 Chinamen to add an inch to his shirt tail, we could keep the mills running twelve months in the year. But the Chinaman is too poor. Instead of adding an inch, he is cutting off an inch. Is this over-production or under-consumption?"

Similarly, Secretary Davis declared that 14 per cent of the boot and shoe factories in the United States with their modern machinery could produce all the footwear needed if they operated full time; that 3 per cent of the present flour mills could produce all the flour needed, and that one-fourth of the coal mines in the state of Illinois could produce more coal than was produced by all of them in 1924 if they operated 300 days a year. Mr. Davis found that there are two coal miners for every job in the Illinois coal mining industry.

"What is needed," said he, "is some system, which will keep going only the coal mining and manufacturing plants needed to produce what we need and can sell, and needed to keep an adequate number of

workers employed 300 days in the year. Then the unnecessary plants can be closed or held in reserve. We need some system for scattering unneeded workers in any industry, where they are really needed in industry yet to be developed.

"For some time the Interstate Commerce Commission has been advising the merging of competing railroads. It has shown that the real need is not to scale down freight rates, but to reduce administrative expense. Why not permit such combination and stock control as will cut out duplication of service and reduce overhead, not only on the railroads, but in the mines and every other over-developed industry? It should be made legal to do anything that cheapens production and stabilizes labor. The law should keep prices reasonable. After that it should leave any industry free to cheapen production and eliminate waste."

Ethelbert Stewart, chief of the Bureau of Labor Statistics, who has had direct charge of the investigation of production costs, agrees with his chief that there may be danger in the future of lack of employment, but he is convinced that the immediate result is the development of a better, more intelligent type of human being.

"It certainly can be said that American industry, with mighty few exceptions," said Mr. Stewart, "is helping. Instead of using men as beasts of burden, they are now being used on work that requires intelligence. The workman is developing into what, from an American point of view, constitutes a man, instead of a mere burden bearer."

Pointing out that the American Federation of Labor did an "about face" at its convention in Atlantic City more than a year ago, "when it practically repudiated cost of living as a measure of wages and came out frankly for the proposition that productivity should be the measure of the wage of the workingman," Mr. Stewart declared:

"The Bureau of Labor Statistics, while realizing that this new measure would not entirely

*While the workman now is using his brain more and his hands less, the machine has displaced many hand workers, and Secretary of Labor Davis points out that, "A machine does not eat food, doesn't require clothing and does not rear a family"*

displace the old one, at least for a number of years, felt it necessary to continue its cost of living investigation, but, nevertheless, it immediately began a systematic study of productivity.

"It must be understood that productivity means human effort plus, or human effort with tools or machinery provided for the worker. There is no attempt made to say how much of this is increase in human efficiency, as distinct from machine efficiency, the Bureau taking the position that you cannot separate the two.

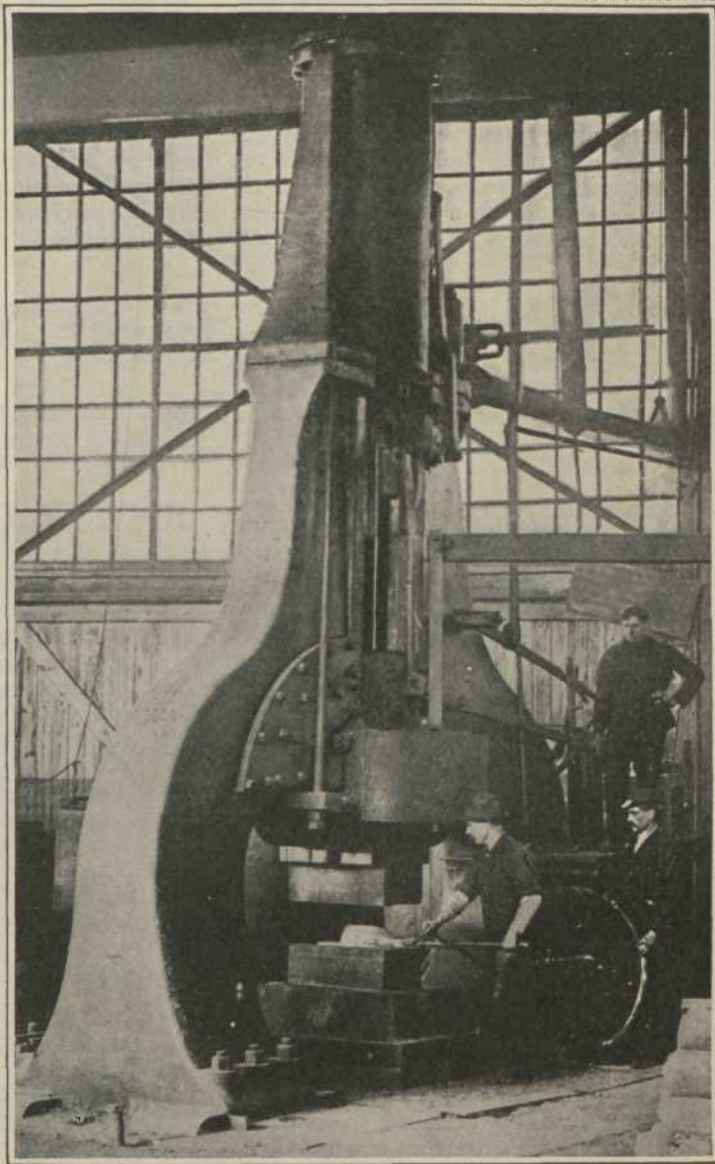
#### Labor Bureau Studies Economies

"THE BUREAU is going on with these studies in new fields. Other industries that may be dealt with later are tobacco manufacturing, brick, tile and terra cotta, coke, gas-house and by-products, lime and the like."

Economies in the handling of materials after they have reached the manufacturing plant, the elimination of trucking from one machine to another, either by concentration of the machines or the use of automatic conveyors in place of men, have done more than anything else to increase productivity in most industries.

"Here are a few specific examples of what is happening the country over," said Mr. Stewart. "A certain wire mill received its

PHOTO UNDERWOOD AND UNDERWOOD





steel ingots by the carload. They were dumped by the side of the tracks until they became mountains. These metal blocks were carried on the backs of men to the initial process machines. Those men were working 12 hours a day at 40 cents an hour. It was 'beast work.'

"Now that same concern has a magnetic crane that picks up a ton of ingots at once, swings them around where they are wanted and drops them. The engineer, who operates the crane gets \$10 a day and does the work of 60 men, but he is doing the kind of work that requires intelligence.

#### -A Saving by Management

**A**NOTHER case in point: One concern in 1920 employed 2,200 men. The output of the plant was 2,200 tires a day. Today the same plant employs 800 men and produces 2,000 tires. I think increased production in this particular case was due probably less than 20 per cent to increased efficiency or skill of the workman, 60 per cent to management and routing of material inside the plant, and 20 per cent to changes in machinery and process.

"Of course, the 800 men who were kept were the better men, but new methods have given the employees confidence in the intelligence of the management. When the plant was run in a slipshod, wasteful way, there was nothing to inspire the individual workman. He unconsciously asked himself what difference it made if he wasted an hour when the whole plant was being operated on a careless basis.

"Then there is the case of a tin-can manufacturing plant in New Jersey. A machine here made the first cutting in the manufacturing process. The pieces of tin were then loaded on a big truck by a lot of men and hauled away to the next ma-

chine. There the edges were turned up and another truck hauled them away to the third machine, and so on. Too many men were being used to produce too few cans.

"Those machines were all taken apart and replaced in line, so that each successive machine produced its work without human hauling of materials. A mechanical conveyor did the work, and the tin did not have to be touched from the time it started as sheet tin until it was turned out a finished can. The output was increased 100 per cent by this simple change.

"The truth is that the manufacturer's conception of greatness has changed in the last few years. One of the best instances of this of which I know was found in a plant making automobile parts. A few years ago, as an illustration of the size of his industry, the owner bragged that his material from the initial process to the finished product traveled three and one-half miles. Now he brags that it travels 50 feet. His grandiose attitude, his idea of bigness, has given way to a demand for efficiency."

#### Cities Are Inevitable

**O**N THE farm, as in the manufacturing plant in the city, the problems of the nation are being tackled in new ways.

"The old adage about making two blades of grass grow where one grew before was alright in its time, but it used to keep all the people busy most of the time to produce the food needed. The machine has made it unnecessary for all the people to work all the time on the farm to feed the world.

"The modern city is the creature of peace, a creature of economic, industrial and social relations. The drift of population to the cities is not so great an evil as some suppose. It is simply inevitable.

"People are leaving the farms for the cities, because they are not needed on the farms; not because agriculture is going down, but because agriculture does not need the man power it needed, for example, in 1800 when a man with a sickle harvested one acre of wheat a day. In those days it required a lot of men to feed the country.

#### Mechanical Progress on Farm

**W**ITH the cradle of 1831, a man could harvest  $2\frac{1}{2}$  acres a day if he was a man of iron. With the reaper of 1840, he could cut six acres a day, but it required five men to follow his machine to bind and shock the grain. With the self-binder of 1880, he could cut 20 acres a day, and the machine automatically bound the grain. With the tractor of 1922 and two binders he could cut 40 acres a day. With the combined harvester-thresher now used on the large wheat farms a machine which cuts, binds, threshes, sacks the wheat, a man can cut 40 acres a day and dispense with the labor of about 50 men. Not long ago, with such a combination machine, wheat was harvested, threshed, taken to the mill, ground into flour, baked into bread and served as food, all in one day. The old method used to take weeks and months."

Mr. Stewart declared that what is being done on the farms to relieve men from heavy labor, to make possible greater production with shorter hours, thereby giving more time for recreation, and the gratification of new living desires, is being done in an even greater degree in the cities. If increased production continues in the future as it has in the past, he believes Henry Ford's five-day week of 40 hours of labor is "but a starter." It may be that the world's needs ultimately will be produced by three days' work a week.

## It's Taxes First With the Railways

Checks that go to investors for railroad earnings are less than those which government collects for various taxes

**A**SENTIMENTALIST once went on record as preferring song-writing to law-making. While perhaps not taking exception to this stand, the 1926 successor of this worthy, looking things over with just a little more of the professional manner, might well declare: "I'd rather be the tax collector than the owner!" And when he is speaking of railroads, most all of us agree with him.

Why?

Because tax collecting pays much better than railroad owning.

#### Steady Increase of Taxes

**I**T IS a singular fact that in the last six years, the large railways of the United States have paid \$80,000,000 more to the tax collector than they have paid in cash dividends to their stockholders. In five of the last six years, railway taxes have exceeded railway cash dividends by amounts varying from about \$300,000 in 1920 to \$36,000,000 in 1923. In 1925, the excess of taxes over cash dividends amounted to

By **PHILIP G. OTTERBACK**

Cartoon by Albert T. Reid

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During this period our state governments contracted new debts about twenty times as fast as they paid off old debts and state and local governments combined were going into debt more than four times as fast as they were before the war.

According to these figures, the total public debt of all forms of government in this country is higher now than when our war debt was at its peak in 1919. The national debt is being reduced at the rate of about \$750,000,000 a year, while the state and local debt is being increased at the rate of more than \$1,250,000,000 annually.

#### The High Cost of our Debts

ALMOST 40 per cent of national expenditures—20 per cent or more of local expenditures—and about 10 per cent of state expenditures are now required to pay interest and amortization on existing public debts. State and municipal bonds have increased from \$183,000,000 in 1905 to \$320,000,000 in 1910, \$449,000,000 in 1915, \$683,000,000 in 1920 and to \$1,391,000,000 in 1925.

Every dollar of interest paid on a public bond is just another dollar in taxes.

The railways are not the only taxpayers.

Taxes fall on the farmer and his land and buildings; on the merchant and his store; on the manufacturer and his plant; on the home owner and his home.

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"Speaking of railroads, the tax collector receives more money than the owner"



steel ingots by the carload. They were dumped by the side of the tracks until they became mountains. These metal blocks were carried on the backs of men to the initial process machines. Those men were working 12 hours a day at 40 cents an hour. It was 'beast work.'

"Now that same concern has a magnetic crane that picks up a ton of ingots at once, swings them around where they are wanted and drops them. The engineer, who operates the crane gets \$10 a day and does the work of 60 men, but he is doing the kind of work that requires intelligence.

#### A Saving by Management

**A**NOTHER case in point: One concern in 1920 employed 2,200 men. The output of the plant was 2,200 tires a day. Today the same plant employs 800 men and produces 2,000 tires. I think increased production in this particular case was due probably less than 20 per cent to increased efficiency or skill of the workman, 60 per cent to management and routing of material inside the plant, and 20 per cent to changes in machinery and process.

"Of course, the 800 men who were kept were the better men, but new methods have given the employees confidence in the intelligence of the management. When the plant was run in a slipshod, wasteful way, there was nothing to inspire the individual workman. He unconsciously asked himself what difference it made if he wasted an hour when the whole plant was being operated on a careless basis.

"Then there is the case of a tin-can manufacturing plant in New Jersey. A machine here made the first cutting in the manufacturing process. The pieces of tin were then loaded on a big truck by a lot of men and hauled away to the next ma-

chine. There the edges were turned up and another truck hauled them away to the third machine, and so on. Too many men were being used to produce too few cans.

"Those machines were all taken apart and replaced in line, so that each successive machine produced its work without human hauling of materials. A mechanical conveyor did the work, and the tin did not have to be touched from the time it started as sheet tin until it was turned out a finished can. The output was increased 100 per cent by this simple change.

"The truth is that the manufacturer's conception of greatness has changed in the last few years. One of the best instances of this of which I know was found in a plant making automobile parts. A few years ago, as an illustration of the size of his industry, the owner bragged that his material from the initial process to the finished product traveled three and one-half miles. Now he brags that it travels 50 feet. His grandiose attitude, his idea of bigness, has given way to a demand for efficiency."

#### Cities Are Inevitable

**O**N THE farm, as in the manufacturing plant in the city, the problems of the nation are being tackled in new ways.

"The old adage about making two blades of grass grow where one grew before was alright in its time, but it used to keep all the people busy most of the time to produce the food needed. The machine has made it unnecessary for all the people to work all the time on the farm to feed the world.

"The modern city is the creature of peace, a creature of economic, industrial and social relations. The drift of population to the cities is not so great an evil as some suppose. It is simply inevitable.

"People are leaving the farms for the cities, because they are not needed on the farms; not because agriculture is going down, but because agriculture does not need the man power it needed, for example, in 1800 when a man with a sickle harvested one acre of wheat a day. In those days it required a lot of men to feed the country.

#### Mechanical Progress on Farm

**W**ITH the cradle of 1831, a man could harvest  $2\frac{1}{2}$  acres a day if he was a man of iron. With the reaper of 1840, he could cut six acres a day, but it required five men to follow his machine to bind and shock the grain. With the self-binder of 1880, he could cut 20 acres a day, and the machine automatically bound the grain. With the tractor of 1922 and two binders he could cut 40 acres a day. With the combined harvester-thresher now used on the large wheat farms a machine which cuts, binds, threshes, sacks the wheat, a man can cut 40 acres a day and dispense with the labor of about 50 men. Not long ago, with such a combination machine, wheat was harvested, threshed, taken to the mill, ground into flour, baked into bread and served as food, all in one day. The old method used to take weeks and months."

Mr. Stewart declared that what is being done on the farms to relieve men from heavy labor, to make possible greater production with shorter hours, thereby giving more time for recreation, and the gratification of new living desires, is being done in an even greater degree in the cities. If increased production continues in the future as it has in the past, he believes Henry Ford's five-day week of 40 hours of labor is "but a starter." It may be that the world's needs ultimately will be produced by three days' work a week.

## It's Taxes First With the Railways

Checks that go to investors for railroad earnings are less than those which government collects for various taxes

By PHILIP G. OTTERBACK

Cartoon by Albert T. Reid

**A**SENTIMENTALIST once went on record as preferring song-writing to law-making. While perhaps not taking exception to this stand, the 1926 successor of this worthy, looking things over with just a little more of the professional manner, might well declare: "I'd rather be the tax collector than the owner!" And when he is speaking of railroads, most all of us agree with him.

Why?

Because tax collecting pays much better than railroad owning.

#### Steady Increase of Taxes

**I**T IS a singular fact that in the last six years, the large railways of the United States have paid \$80,000,000 more to the tax collector than they have paid in cash dividends to their stockholders. In five of the last six years, railway taxes have exceeded railway cash dividends by amounts varying from about \$300,000 in 1920 to \$36,000,000 in 1923. In 1925, the excess of taxes over cash dividends amounted to

about \$18,000,000. Striking changes have occurred in the past fifteen years. In 1911, the year in which the Interstate Commerce Commission adopted the present system of railway classification, the taxes paid by the large railways amounted to \$98,600,000, while their dividends were \$397,100,000. Then taxes started their upward climb and dividends began to slip, with the result that in 1925 taxes had increased 263 per cent over the 1911 level, while dividends were 14 per cent below the 1911 mark.

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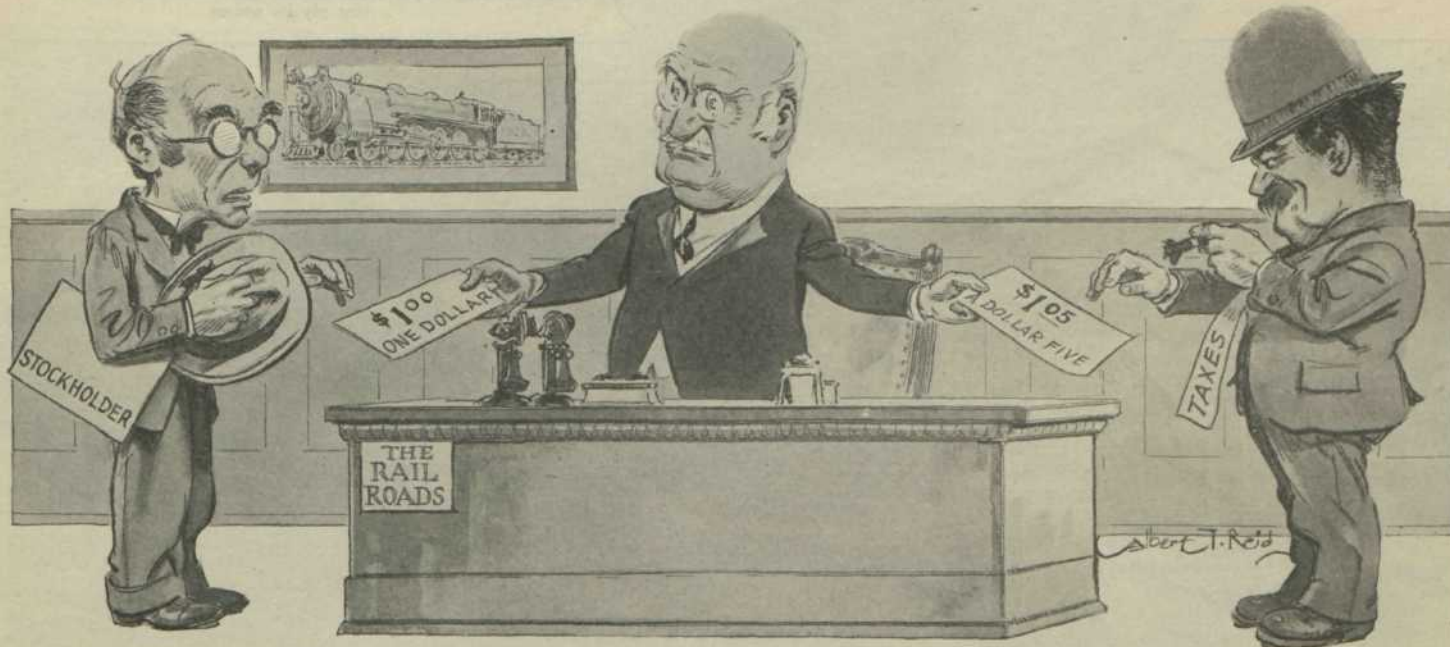
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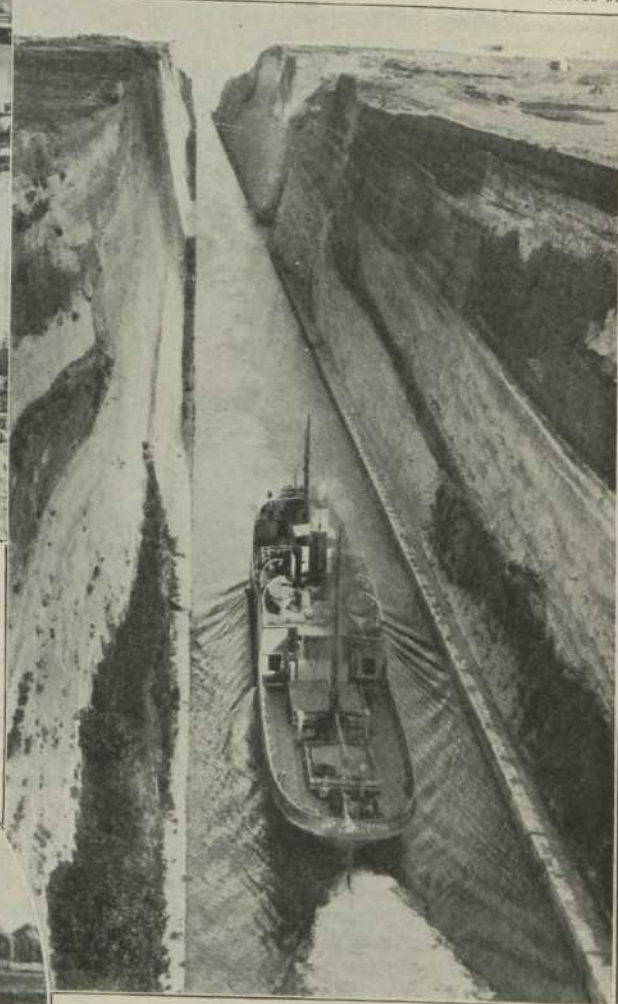


# Man-Made

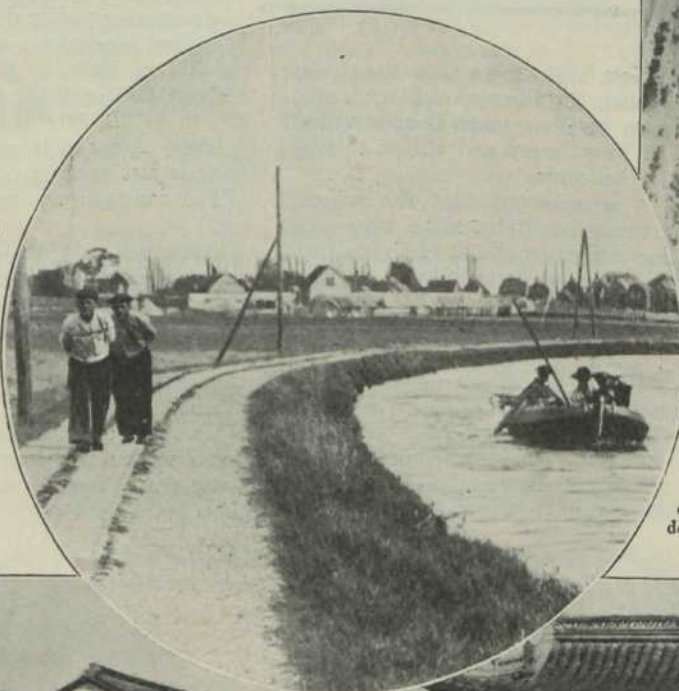
PHOTOS BY



Primitive rafts plying the great Batavian canal of Java, convey tons of the produce of this tropical region, rich in natural resources, fertile soil and abounding forests



The Corinth Canal which shortens the route from the Adriatic Sea to Piraeus, the modern port town of Athens, by 200 miles, is the modern realization of the dream of the emperor Nero, who started such a canal but found it too great an undertaking



Man-power still supplants gasoline as motive power on the Volendam Canal in Holland. The people are slow to change from old methods, and the price of a modern motorboat seems a fortune

This pagoda bridge at Swoochow, China, spans the Grand Canal connecting the Yangtse and Pei-ho Rivers. It is five to six feet deep providing ample depth for the picturesque but primitive craft that ply its waters





# Waterways

EWING GALLOWAY, N. Y.

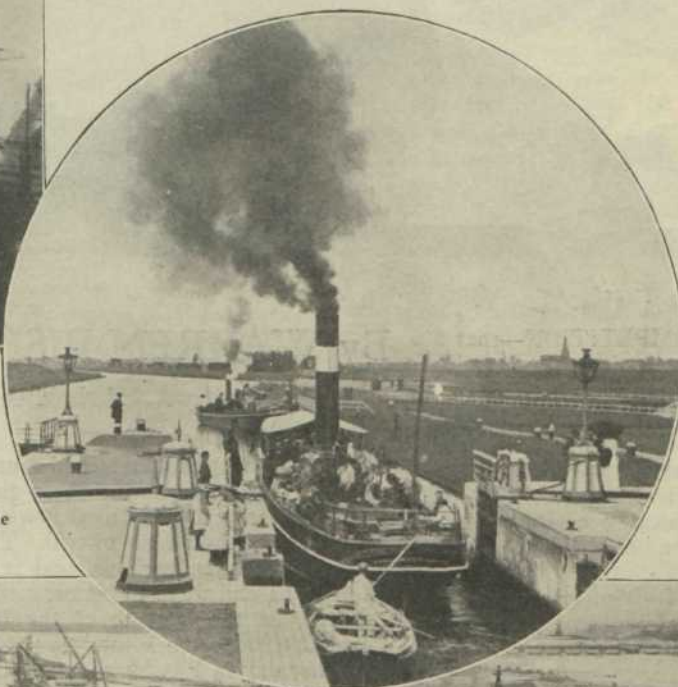


Mannheim, Baden, an important factor in the industrial life of Germany, is situated in the confluence of the Neckar and the Rhine Rivers. Access to industrial plants is facilitated by a series of barge canals deep enough to accommodate the largest river craft

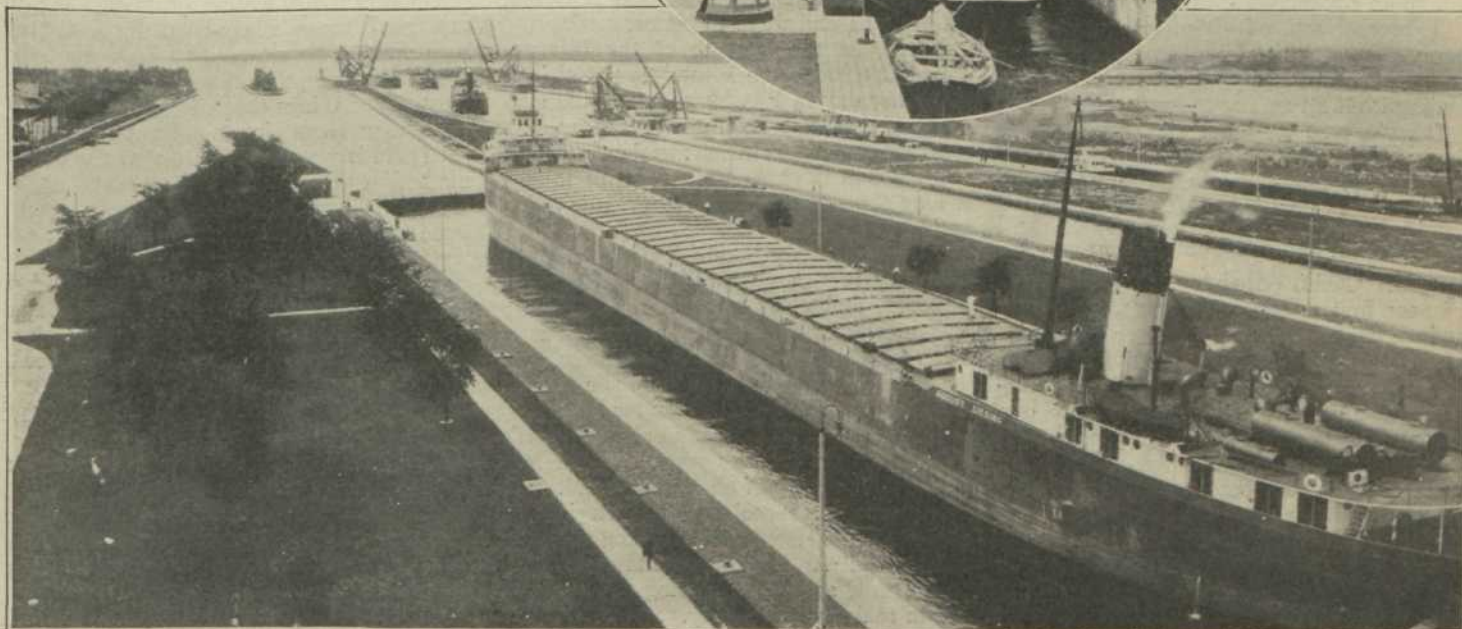
More tonnage annually passes through the locks of Saulte-Sainte-Marie Canal connecting Lakes Superior and Huron than crosses the North Atlantic



Rows of trees along the banks of the many barge canals in Northern France make these highways objects of beauty as well as utility. The one pictured is in the Challons-Sur-Marne district



In the Netherlands, canals are nearly as numerous as highways in other countries. The low altitude of the country and the character of the soil make canal digging a relatively simple and easy task





# Coal in the New Competition



**T**HE NEW COMPETITION—that struggle between industries and materials—isn't so new after all. It was a generation or more ago that wood pulp pushed into the field of paper-making, and linen rags found a rival that was destined to become a giant. Probably Cheops found the brick industry crowding stone pretty hard when he undertook to build a few more pyramids.

Take coal and oil—friendly enemies for many years—each taking turns at crowding the other out of one place and each in turn finding itself struggling to keep the place.

It wasn't so long ago, in grandfather's day perhaps, that we thought of petroleum in terms of light—the kerosene lamp was everywhere. Coal was heat and power.

## Coal and Oil Competition

**T**HEN COAL edged into the light business, first as gas and then as electricity, and we lighted our homes from a coal mine instead of from an oil well. Then oil entered the power field in the form of internal combustion engines until now our automobiles generate far more power than our locomotive engines.

But coal is not content with its present place. It has an eye on the automotive engine. Men whose heads may be in the clouds but whose feet are on the earth, are working to make coal into petroleum and so into gasoline, coal into methyl

## By WARREN BISHOP

Illustrations by A. Edwin Kromer

alcohol (wood alcohol from coal sounds like an Irish bull), coal into a dozen things.

But primarily they tell us that we are not getting all we should out of coal. The best of man's servants, perhaps, coal is loafing on the job; and we're to blame.

That was the keynote of the International Conference on Bituminous Coal held the other day in Pittsburgh under the auspices of Carnegie Institute of Technology.

It wasn't a conservation meeting. There's coal enough in these United States to last a long time—three thousand or four thousand years.

You and I may take a little thought of posterity in terms of children and grandchildren, and even of great-grandchildren; but most of us refuse to worry about a descendant of 3,500 years from now. If he hasn't any coal, let him be chilly. Neither you nor I will shiver for him.

But the fact that there is plenty doesn't mean that we need to waste, and in fact we haven't plenty of all kinds of coal. We have gone after coal on the principle of taking off the cream and throwing the skim milk away. Anthracite is definitely limited in amount, and we are using up our best steam coals rather rapidly.

But research and science, supplied with money and urged on by necessity, stand ready to find the thing we need when the occasion arises.

The dramatic thing at this gathering of 1,500 men from a dozen countries, was the presentation by German and French scientists of their method of making motor fuels from coal.

Yet here was the same situation. We do not need these newly-born fuels at the moment, but we do need to know that the method is there, that if need be, coal can do most of the things that oil can do.

As John Hays Hammond put it:

"There is yet no evidence that these new methods can compete with gasoline at 21 cents a gallon; but there seems reason to hope that after the necessary period of expenditure and development, they can compete at the price levels which prevail today in Europe, and that if and when a shortage of gasoline in this country forces any enormous increase in price, we may look to coal for a measure of relief."

## Changing Coal to Oil

**T**HE NEW competition, but not yet quite ready to enter the field.

It is Dr. Friedrich Bergius, of Heidelberg, who has perhaps gone farthest in this new alchemy, this making of coal into oil. For 15 years he has been at work on this task.

It is an interesting sidelight that Dr.



Bergius when he wanted to find out how to make oil out of coal, first set out to learn how to make coal out of wood, and succeeded. He succeeded in making a synthetic coal out of sawdust, not of course, commercially. When nature has spent a few hundred thousand or million years in making wood into coal, we can't carry on the process profitably. We can't substitute man's time and man's power for the power and the time that went into coal beds.

In fact, it is interesting to note that much of the tendency of modern science is to make things from coal—stored up vegetation—which we used to make from plants. We can't afford to waste our new growth. We need our trees and our corn for shelter and food, so we're turning to coal for our alcohols.

#### Coal Will Prevent Oil Famine

HAVING made coal from wood to give him a new insight into the construction of coal, Dr. Bergius set out to make oil from coal and did it. Briefly, a ton of coal will yield 45 gallons of gasoline and proportionate amounts of lubricating fuel and other oils.

As I have said, we don't need to call on coal yet, and perhaps by the time we do, the gasoline-driven automobile may have succumbed to the new competition in some unexpected way; perhaps we shall be driving our cars by some form of wireless; but rest assured that if and when oil wells cease to flow, there'll be something to take their place.

While Dr. Bergius was liquefying coal by compression and adding hydrogen in France Gen. Georges Patart has been working on making alcohols and other solvents out of coal. The possibility of growing motor fuels in the form of an alcohol has long been gossiped about, but the answer has been that the drain on our soil would be enormous; that all our corn crop would run only a fraction of our automobiles.

But nature has laid down, for us to draw on, enormous amounts of fossil vegetable matter in the shape of coal, so why not use them? This alcohol from coal is coming into the American market with worrying results to the wood distillers. That, by the way, was the new competition in one of its sharpest forms. A distinguished scientist told me the other day of a wood manufacturer who set out to build a distillation plant for making wood alcohol and acetone and found before he had finished it that methanol from Europe threatened to make it useless.

Here are some figures given out the other day at the White House which show the speed with which the new competition can overtake an industry. In explaining an increased tax on methanol it was announced that in

1924 we imported about 50 gallons of methanol and in 1925 about 500,000.

And this alcohol can be used as a motor fuel. Paul Dumanois, a chief engineer in the French flying service, told the Conference something about it.

"It is possible to conceive," he said, "of the successful manufacture (from coal) of a fuel for automobile engines that offers a safety of operation and a convenience of use at least equivalent to that given by the best gasoline."

So again we need not worry. We have a choice, if our gasoline supply is really at a danger point, of either liquefying our coal and distilling gasoline from the resulting oil, or of gasifying it and then making alcohols.

Coal is, in fact, like the magician's hat of the glorious shows of our youth. Just when you think the magician has taken out all he possibly can—rabbits and pigeons and colored ribbons, so that there can't be anything left—he takes out a bowl of goldfish.

But the problem of making coal do its full day's work isn't one only of turning coal into new substances. It is one of finding the best shape in which to burn coal.

Pulverizing coal before burning is one of the ways by which more can be got out of coal, and said Walter E. Trent, of the Trent Process Company, "It has merely reached a point comparable to that of a baby when it first learns to walk."

#### Handling Coal as Liquid

THE IMPRESSIVE thing about pulverized coal is that it can "be made to flow, run and seek its own level." In other words, powdered coal, heated, becomes a liquid and can be handled like a liquid. Here lies one way in which the coal industry may make itself over. The stoker, grimy and sweaty, working in a temperature too high for health and comfort, may be replaced by pipes and valves through which flows powdered, heated coal.

The scientist sees on the horizon a possible shifting of our industrial centers or a building up of new ones. Our great manu-

facturing cities center around a distributing point of coal. In our thinly settled West are great deposits of lignite, low grade, which in the past has been difficult to adapt for industry. New methods of handling coal may make these deposits great new manufacturing centers, but centers freed from smoke and with coal handled automatically and cleanly from mine to furnace.

#### Civilization and Coal

NO HOME owner who has substituted an oil burner for the old-fashioned furnace and thrown his coal shovel on the rubbish heap wants to go back to the old way; and if fuel oil threatens to grow too scarce to use, he may find a new hope in this fluid coal.

I have written here only a part of the great things that are being done and will be done with coal. Civilization and coal have gone hand in hand, and civilization will make still greater strides as we learn to take more things out of coal and to take more heat and more power with less smoke and less work.

#### An Editor's Notes at the Conference

Pittsburgh, November 17.

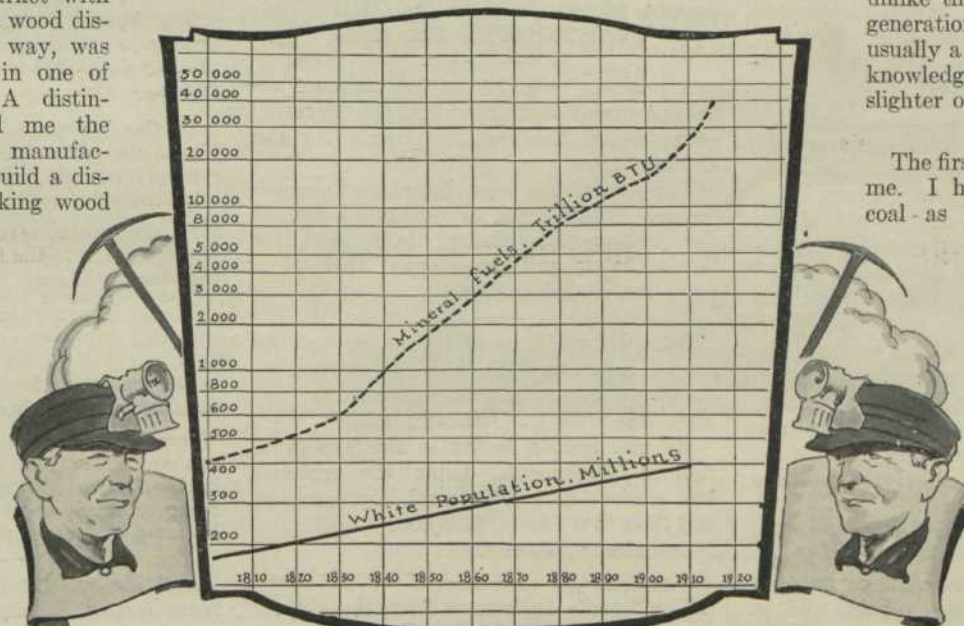
H. G. Wells says in his last book that labor international has not succeeded, that politics international—the League of Nations—promises little, but that the hope of world peace may lie in business international—steel international, coal international.

Here's a business international—1,500 men from a dozen or more countries, all talking coal. Not so many actual coal operators in Carnegie Hall as coal technicians, chemists, professors, but a fair sprinkling of business at that.

President Baker, of Carnegie Tech, starts the ball rolling. Trim, businesslike, very unlike the college president of a generation or two ago, who was usually a clergyman with a slight knowledge of science and a slighter one of business.

The first speaker rather startles me. I had vaguely thought of coal as something to be conserved, and Marius Campbell, of the Geological Survey, tells us that we have 3,000 or 4,000 or 5,000 billion tons—which doesn't mean a thing to me. When some one translates it into a 3,000-year supply, I get a better picture. Why worry? In 3,000 years coal may not figure in life.

The United States



Graph shows tremendous increase in use of mineral fuels, expressed in terms of trillions of British thermal units, in comparison with the growth of the white population of the world expressed in millions over a period of one hundred years



has about half the world's coal. A great factor in the industrial race.

More than that, we have every known kind of coal.

But there are reasons for considering our coal. We have used coal on a cream basis—just taking the best.

Our anthracite has a fairly definite limit. Our best steam coals are being used up, but there's no problem the intelligent use of coal can't meet.

Out in the West, in the Great Open Spaces, men are men undoubtedly. But coal isn't coal—at least, coal isn't as good coal as in the "effete East."

"In a very broad way," says Geologist Campbell, "there is a general increase in rank from west to east across the continent. . . . The oldest part of the United States is the Appalachian region near the eastern side of the continent, and here we find the coals of the highest rank."

Carrying out the tradition, as we move east looking for coal, we find in southeastern New England anthracite—a super-anthracite it is called—that is so good that it isn't any good at all. It's too hard to burn. New England has been accused before of super-refinement.

Coal conservation reminds me of my small boy when he came from camp last summer.

"Did you have all you wanted to eat?" I asked.

"Sure," he said, "except on chicken days, and then the skipper used to say: 'You can have two meaty pieces and after that you'll have to take a pickin' piece.'"

We've used a lot of our meaty pieces of coal—and we may be at the pickin' pieces pretty soon, "pretty soon" meaning 50 or 100 or 150 years.

"Let's upset natural laws by man-made laws."

The old cry. South Dakota has quantities of lignite, which just now can't compete with coal from outside the state. So a law was passed requiring all state institutions to burn South Dakota coal!

It is not easy to awake all business men to the importance of science. One coal man, a big employer, told his employees, even the technical ones, that they could do more by staying at work than by attending any of the conference meetings.

Here's a true story of what science can do to industry:

A lumber man decided to go into the wood-distillation business and erected a building in which to make wood alcohol. By the time his factory was finished, methanol from Germany began to come in; and his business was ended before it was begun.

The scientist who told the story to me added:

"If he had shown the same acumen in hiring a chemist that he probably did in hiring a lawyer to draw the contract for buying the property or an architect to design it, he might have a lot of money."

But perhaps his plant will yet be of use.

A tariff is likely to limit the importation of coal-made methanol from Europe.

First of the foreign delegates to be heard is Dr. Cecil H. Lander, who heads up the official fuel research of Great Britain. A low-voiced, mild-mannered man who has done much. He doesn't say it in so many words, but he leaves a feeling that Great Britain has gone ahead of us on fuel research. Perhaps she needs to. It's when the flour gets near the bottom of the barrel that we begin to scheme about making it go farther.

Samuel Insull presides at the afternoon meeting. He's interested in getting all he can out of coal. The public utilities burn more than a hundred thousand tons a day to make electricity.

Where you and I think of ten tons in the cellar, Mr. Insull thinks of tens of thousands of tons in mines or railroad cars and on docks.

One of the stars of the meeting in point of public interest is Dr. Friedrich Bergius of Heidelberg, who makes petroleum and its products out of coal. Undreamable sources of motor fuel when we need it. He looks more like a British business man than like the German professor of the cartoons. Braided coat, striped trousers and monocle. He's worked 15 years on his processes.

Dr. Bergius reads his address in English, and the scientific men in the audience hunch forward a little so as not to miss a word.

To the layman the outstanding thing is that a ton of coal can make from 107 to 185 gallons of oil, which, in turn, can be turned into gasoline, lubricants, and all or many of the other things that come out of a barrel of it.

A statistical neighbor hauls out a piece of paper and begins to figure:

"Call it three and one-half barrels of oil to a ton of coal and figure our annual production of petroleum at 700,000,000 barrels. That's 200,000,000 tons of coal."

A business neighbor in the audience repeats a rumor that "Standard Oil interests" have bought the Bergius process for the United States.

The rumor has been heard and denied, before. They have, according to one of the visiting Englishmen, been sold for Great Britain and her colonies. Europe is eager for oil independence.

John Hays Hammond presides on the second morning. It's hard to think that thirty years ago he was sentenced to die. That was after the Jameson Raid.

He had been a leader in the Transvaal Reform Movement. Later the sentence was commuted to 15 years' imprisonment and then to a fine of \$125,000.

A wonderful career!

The "star"—to borrow from the theater—of the second day is Gen. Georges Patart, French "inspector general of powders," to translate literally. There's a touch of international rivalry between the French and

German work in getting coal out of motor fuel.

General Patart does not trust to his English and reads his paper in French. One listener says:

"I know a few words in French, and I can read a simple chemical equation, but when you shoot a chemical equation at me in French, I'm all in."

General Patart's work has been towards making a whole string of alcohols and other organic products out of coal. "Under normal conditions," he says, "they can't compete with petroleum products as motor fuels, but they're always a possibility—always something to fall back on."

One picturesque point in General Patart's address: Ordinarily things that are grown from year to year can't compete with synthetic products from coal, whose growing was done for us ages ago. Acetic acid, for example, from coal will push aside acetic acid from wood or fruits.

It's an impressive fact that we, living now, are drawing on the vast vegetable growths of thousands and hundreds of thousands of years ago, because we can't wait for things to grow.

A third of the international figures in this conference is Prof. Franz Fischer, of the Institute of Coal Research at Mulheim-Ruhr, Germany.

He, too, makes petroleum from coal—synthol, he calls it.

One meeting is devoted to the public. Walter Barnum, of the National Coal Association, tells what his industry is doing; Dr. E. E. Slosson draws a picture of the new and better ways of using coal; and Mr. Hammond strings epigrams like these:

If every drop of rain falling on America could be harnessed, it would still not carry the load already borne by coal. Two pounds of coal will develop as much energy as a man at heavy labor for a day.

Ten thousand men in the bituminous mines produce as much energy as could be developed by 41,000,000 wage earners in the United States.

In the 100 years from Waterloo to the Marne the white population of the world increased threefold, while the use of coal and oil increased seventy-fivefold.

Barring some revolutionary discovery of science . . . the future of America is tied to bituminous coal.

The time may come (referring to pulverized coal and automatic stokers) when the beautiful lumps of Welsh Admiralty Coal will be a museum relic, less venerated perhaps, but not less obsolete than Nelson's flagship.

Our descendants will look back with tolerant amusement at our present systems of burning raw bituminous coal in household furnaces, much as we look back to the whale oil lamp and the tallow dip.

But the best laugh of the meetings came from Walter Barnum's definition of an expert as:

"A man who knows more and more about less and less."

—W. B.







# NATION'S BUSINESS

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MERLE THORPE, Editor

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## The Business Commission on Agriculture

**W**HAT are the elements that go to making up our "agricultural problem?" No one knows, and even the statement that there is an agricultural problem is wrong, for there is not one problem but a variety of them. As Julius Barnes points out in an article in another part of the magazine it is fallacious to lump beef, cotton, corn, wheat, hogs, butter, eggs, etc., and expect to arrive at a true average. Each of these commodities is raised and marketed under different conditions.

The aim of the "Business Men's Commission on Agriculture," recently formed by the National Industrial Conference Board and the National Chamber, is to study the problems that face the farmers and to arrive at a thorough understanding of the needs of a better agricultural development.

The work that each of these organizations has done during the last few years is evidence of a real and sincere desire of business men to help answer agriculture's questions. Their work has built up public confidence in the fairness and validity of any conclusions arrived at. This backing cannot but help the Commission though it is an entirely independent body.

What is the relation of agriculture to industry? to commerce? to foreign trade? to finance? The experience and judgment of every important element in our national economy will be brought to bear on finding the answers to these questions. They must be answered satisfactorily if this country is to have a sound economic development.

## We Still Save If We Do Spend

**S**ENATOR Couzen's article on instalment buying in the December number stirred up much comment, some of it favorable, much of it unfavorable. President Coolidge himself took a hand in the discussion, and from the White House came a defense of instalment buying.

The *Washington Post*, setting forth the President's views, describes him as believing that instalment buying is "a natural and fitting development of the nation's economic scheme."

With that view we have no inclination to find fault. There is much that can be said in favor of instalment buying as a regularizing of debt. It has, beyond a doubt, made possible to hundreds of thousands the ownership of comforts which otherwise they would not have had.

It is easy to say that any man who can pay for goods on what our English brothers call "the hire purchase system" could have saved the money and bought at one payment. True he could; equally true he won't or at least the great bulk of him won't. It is too easy to spend on small things the money that might have gone as part-payment for something worth while.

That is one side of instalment buying from the buyer's point of view. The other side is Senator Couzen's—that it breaks down the financial stamina of the buyer, that it makes debt and spending too easy.

There are, no doubt, individuals who are tempted by

time-buying into an unsound debt position; but don't let us forget that savings in banks have multiplied three and one-half times in the last dozen years.

That speaks out loud for American thrift.

## "Coddling the Stockholder"

**U**NDER the title of "Coddling the Stockholder," *Barron's Weekly* discusses the articles of Professor Ripley on the stockholder's rights and wrongs. Barron says:

"He (the American stockholder) should attend the annual meeting of some properly incorporated company in London, at a hall like that of the Cannon Street Hotel, where he will find two thousand stockholders filling it to capacity."

Undoubtedly true, and possibly true also that the British stockholder pays a greater attention to his rights than does the American. But isn't it true that there is no situation in Great Britain such as that created by the widespread dissemination of small stockholding in the United States?

It is all right to talk of the American stockholder as being coddled, but how do you coddle the 370,000 shareholders in A. T. & T?

## Striking a Business Balance

**F**ROM Frank Greene's monthly article we compile this table of ups and downs in the reports of various business activities for November:

### UPS

Bond sales  
Silk imports and consumption  
Cotton, home and exports  
Pig iron production  
Coal production  
Mail order and chain sales  
Car loadings  
Wholesale prices

### DOWNS

Stock market sales  
Railway stock quotations  
Steel production  
Automobile output  
Building permits  
Banking clearings  
Bank deposits

There's a problem in addition and subtraction for those who clamor for business statistics. Does the total of ups more than offset the total of downs? We give it up.

## Canada in Shipping Business

**"W**HAT shall we do with our Merchant Marine?"

To get the sentiment of the country on this question, the Shipping Board is holding a series of regional conferences.

Those who favor government ownership or operation are saying that Canada is making money with her government shipping project.

From time to time the impression will get out that the operation of ships or trains or what-not by some government does make money, but careful examination almost invariably shows up the flaw in the reasoning. Often it is the hazy system of bookkeeping that is responsible for the temporary misconception.

As pointed out in *NATION'S BUSINESS* last November, this is the case with the alleged profits of the New Zealand railways, where the loosest sort of accounting is employed.

Recently the Canadian Government issued a statement which showed a profit of some \$77,000 on operations of the Merchant Marine for the first nine months of 1926.

This did not take into account the payment of interest on the huge investment, nor did it provide anything for depreciation.

For the year 1925, the last for which details are available,



the official records of the Canadian Merchant Marine revealed a deficit from operation of \$948,053; interest came to \$3,616,027; and depreciation was set at \$2,635,762. Also, there was a trifling bill of \$498,603 for interest payable on advances made by the Government, chiefly to meet deficits of previous years.

When it is recalled that similar charges will have to be met for the year 1926, an actual loss of about \$5,000,000 will be shown, in all probability.

Just another sample of government book-keeping.

### Buying Time—and Fresh Air.

SOME time ago Stuart Chase, writing in *The Nation*, set forth glowingly how greatly superior the life of his great grandfather in Newburyport was to his, Stuart Chase's, life in a modern city.

The reader can guess the line the article took, the picture of solidity, of substantialness; clothes woven by hand; a few good books, thoughtfully read; home-grown food of a flavor now lost to us.

An idyllic picture, but did the writer stop to think of the things his great grandfather didn't have in profusion as we have them? Speaking now of great grandfathers in general—or of our own in particular, if you prefer—we venture the assertion that among the things he was short of were:

#### TIME AND FRESH AIR!

Great grandfathers worked for the most part ten, twelve, even more, hours a day. They couldn't buy time as we can buy it today—time in the form of automobiles; time in the form of light, for light is only another form of time; time in the form of gas stoves and electric refrigerators; time in a hundred ways.

How much time did our great grandfathers devote merely to getting enough food for a family? It is doubtful if the modern worker in any rank of life spends as much of his available time for food. A loaf of bread is a small fraction

of an hour to him. How much time did the great grandfather who grew and ground and baked the wheat have to give in exchange for a loaf?

And fresh air! Think of a house heated by wood and that wood chopped by hand. The more fresh air, the more wood had to be cut. Time was going up the chimney when windows and doors were left open. The results, in Northern United States at least, were houses as tight as possible with families living largely in one room around a fire. They couldn't afford fresh air, because fresh air meant more time, and they hadn't enough time. The coal-burning iron stove, the central heating plant in the cellar, burning coal or oil, has helped to make it possible for all of us to have fresh air.

### Folks Who Irritate Us

IT is difficult to conceive of doing business without the telephone, but there are telephone users who irritate us. One is the man who has a secretary or a telephone operator call us up, with the result that we interrupt our dictation, turn to the telephone and are met by a voice saying:

"Mr. Whoffles calling; just a minute, please." Then we wait four minutes, growing hotter and hotter.

In spite of well organized campaigns there seems to be a growing tendency to put on letters:

"Dictated but not read"; or "signed in the absence of Mr. Blank," and all the other alibis for inaccuracies. The other day came one which said:

"Dictated but not read by Mr. Blotz. Signed during his absence by Miss Blootz."

We are planning, ourselves, to send out letters in this fashion:

"Dictated but not read by Mr. Blank. Signed in his absence getting a hair cut, by his secretary, Miss Dash. Stamp licked by Willie, the office boy, who also put it down the mail chute."



The Business Babes in the Wood



# A Plot for a Powerful Play

By CHARLES B. DRISCOLL

Cartoons by Charles Dunn

I'M GOING to write a play. A successful play, if you know what I mean. A comical thing, with the American business man doubling as clown and goat. I got this bright idea from an assignment to do a bit of dramatic criticism for NATION'S BUSINESS. You're surprised?

You think it queer, perhaps, that a magazine of business; a very "guide, philosopher, and friend" of the business man, should go in for the drama; that is to say the drama of the playhouse as distinguished from the epic drama of business.

Yet it isn't so strange after all; since the Thespians have caught the contagion and must have their little fling at the American business man.

Well, I went to see "Americana," at the Belmont Theater in New York, and caught the trick of it. It was made perfectly clear to me then that if you haul out the old blunderbuss of standard humor, load it to the muzzle, and shoot it point blank at American business, you'll get a laugh on Broadway. Then fire a few broadsides at America, Patriotism, the Churchgoer and other persons and things and groups that old-fashioned folk revere, and you'll ring the bell.

## Discussing "Americana"

TAKE "Americana." It's a revue. A jazz operetta with an Ellis Island opening; cops and marines chasing immigrants away from the shores of holy America because of turpitude. A Kiwanian booster makes a speech at a banquet, introducing some friends. The speech is stupid—as stupid as only the "smart" can make it. The Kiwanian's friends have wooden heads. And that's funny, too. It's nearly as funny to caricature a business man as a wooden-head as it is to call a farmer a sod-buster—which is sure-fire hokum.

Another scene: Typical American home. Radio going full blast. Moron son of the household blubbers tabloid newspaper headlines, and will not be consoled until the evening paper comes with the funnies.

A wise-cracker, of course, introduces each act. Gets a laugh by shooting a chap who starts to recite Gunga Din.

Thickly sprinkle this sort of hodgepodge with ballet and chorus stuff; girls all more or less undressed in the well-known patriotic colors, and there you are. As I said in the beginning, it's nothing less than a crying shame that I haven't been cashing in on this formula this long time, so I'm going to write a play.

The very first thing, of course, is to get an artist or two to work on the scenery and the outdoor publicity. Right outside the theater lobby must be placed several boards with red, yellow, green, and purple painting on them. Paintings of what? Oh, that's of no consequence! If the job be

done smartly, the less it's a picture of, the better.

Then the sets. They must be painted in similar colors, and care must be taken to see that they do not represent anything. Streaks, blotches and red wavelets are favored for atmosphere by the extra intellectual. Why? Well, I suppose because the common folk cannot understand what these designs are all about. If it happens that they are about nothing at all, so much greater the joke on the Babbitts.

There's a cue to go on with the show-building, by the way. Babbitt! We'll get him into the very first scene of the first skit, so that the critics may be induced to stay through the whole show. We'll make it clear as crystal that Babbitt is the personification of the American business man, and then make him act the boob for ten minutes. We'll have him sing a song

part of the performance that makes patriotism look silly. In the second part there must be a good act that will show up the American home as a ridiculous and futile institution. And in the third part, sometime before the intermission, you absolutely must get in a smart dig at religion. Having shown your stuff thus far, you can depend upon the crowd to stick through the intermission if it isn't too long, in the hope of seeing the courts, the women, and Heaven shown up in a good walloping satire.

That isn't such a complicated formula as you might think. I know just exactly how to knock patriotism sky-high in this show of mine. I'll have George Washington and Benjamin Franklin come in, hand-in-hand,



drinking out of a bottle labelled "Hootch." That will bring thunderous applause from the first-night audience, and the critics will hail the show as a piece of frank writing that is not squeamish about presenting the fathers of the nation in a proper light. You see, Washington and Franklin have always been among the most universally respected Americans. Of late it has been found that there is a tremendous kick to be got out of holding these two statesmen up to public ridicule. The theory is that it shocks Babbitt, and of course anything that shocks Babbitt is greeted as genuine art by the ultra-intellectual crowd to which I am going to appeal for support when I put on my show.

Well, what'll we do with Washington and Franklin after we get them on the stage? Maybe we'll make the scene Times Square and the time Now, and have the two an-

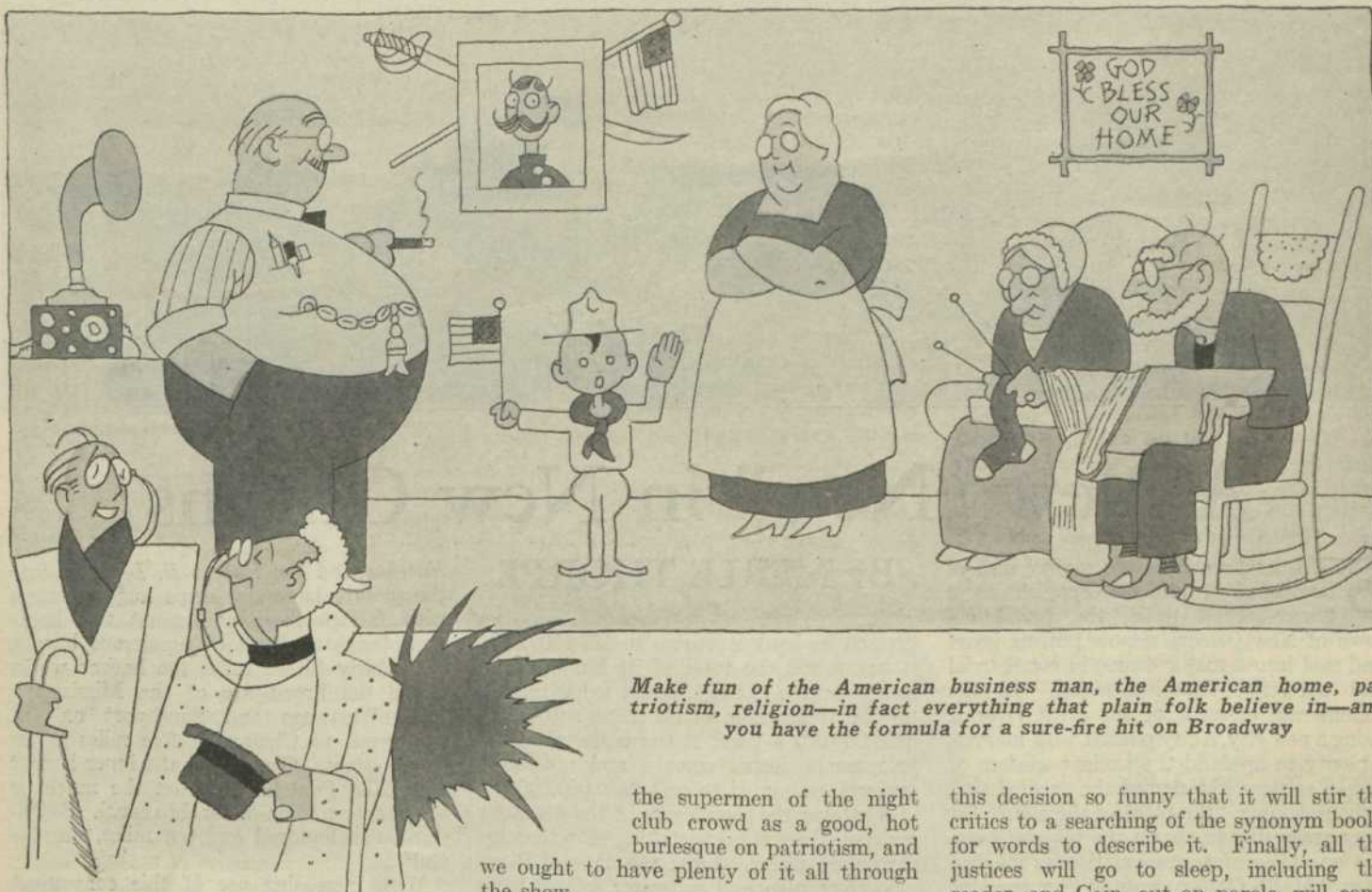
about himself, telling how he goes to conventions to play around with the cigar girls. Might even introduce the cigar girl into the act, and have her and Babbitt do some funny steps together, just to make the representative of American business look like a fool. Say, this is going to be a wow of a show!

One of my friends who writes smart plays for the Broadway crowd tells me that you've got to have something in the first



# The AMERICAN HOME

A SATIRE ON  
SACREDNESS



*Make fun of the American business man, the American home, patriotism, religion—in fact everything that plain folk believe in—and you have the formula for a sure-fire hit on Broadway*

cient statesmen come back to visit. We'll have a half-dozen New York policemen run up to arrest the heroes for drinking in public, and then there'll be a lot of singing and dancing, and the fathers of America will dance with a lot of cuties, and all manner of wise-cracks will be put over.

Not bad for a start, is it? Later, of course, we can have a little thing called "Clearing the Wilderness," in which we'll show William Penn and Lord Baltimore killing off the Indians with machine-guns and selling the Indians' lands to the highest bidders from Europe. That would make two more traditionally great men look like sapheads and crooks, and ought to get a great hand, especially if we put it over with plenty of jazz music and a rollicking series of wise-cracks.

## Degraded American Homes

NOW, we could follow this up quickly with a little sketch showing the degraded nature of the average American home. We can go to any length with this without spoiling the fun. We can picture the parents as imbeciles and the large family of children as a conglomeration of idiots. Over in one corner will be Willie, an unfortunate Cretin in boy scout uniform, saluting the flag over and over again, all through the sketch. That alone will make the audience roar. You see, the New York smart crowd will sense immediately that this little touch will pain the Babbitts, who are said to be patriotic. Nothing goes over so big with

the supermen of the night club crowd as a good, hot burlesque on patriotism, and we ought to have plenty of it all through the show.

Nellie, the old maid sister of Willie, will be rocking in the old-fashioned plush-covered rocker, reading aloud the poems of Eddie Guest, and crying at the sad lines. That'll be a bell-ringer. Joe, 18, and in golf togs, will be playing hill-billy songs on the talking machine and looking rapt. And of all things! Grandpa will be right in the center of the stage, facing the audience, reading the Bible! Say, there's a stroke of genius, if I do admit it myself. Grandpa and the Bible! Both institutions that are supposed to be respected by Babbitt, the American business man, and therefore to be made as ridiculous as possible. Papa and Uncle George will have a loud conversation about Law and Order, both being for it, and they'll be exchanging swigs out of a bottle of bitters at the same time. There'll be plenty of wise-cracks, and Grandpa will get up and dance a jig while singing a silly song about his favorite reading matter.

## Keeping a Few Secrets

I COULD take you right on through my plot and show you where the thing has its invulnerable elements of strength, but I'm not going to give the whole thing away. Suffice it to say that the Supreme Court of the United States will be in session when the curtain rises after the intermission. That'll be a powerful scene, with the Chief Justice putting all the other actors to sleep reading a long decision on a motion for a new trial in the case of the State versus Cain, accused of murder. We can make

this decision so funny that it will stir the critics to a searching of the synonym books for words to describe it. Finally, all the justices will go to sleep, including the reader, and Cain, out on parole, will come in and mow them down with a sub-machine-gun. That'll carry over to the audience the general notion that the courts are to blame for crime, and it will be done so artistically that nobody can object. Just another good punch at a generally respected institution.

That ought to get the second half of the entertainment under way with a bang, and then of course the chorus, with bare legs and judicial gowns, will come on and dance, while Cain does a few acrobatic tricks with his gun and a couple of knives.

## Sure-Fire Hokum in New York

I'VE JUST given you a few little glimpses into the show, without giving away too much of my technique. But if you know the mood of the metropolitan smart crowd, you must confess that the thing is a sure-fire winner from away before the start.

If the art work is bizarre enough and the press-agent job is properly handled, we ought to be turning 'em away for at least a year in Broadway. Every good Broadwayite will flatter himself that this is practically a reflection of his own inventive mind, and the others will come to see what New York is laughing at. We won't attempt to put the show on the road, because the folk Out There, in the "Bible Belt," do not appreciate these keen comedies that make laughs out of Americanism and American institutions and customs, but we'll clean up in the city and get glory enough for all out of the praise that will be given us by the metropolitan critics.



*"In the shimmering crescent of the great river is rising a new city"*



PHOTOS SOUTHERN RAILWAY

## A New "New" in New Orleans

By MERLE THORPE

**S**TILL as French as the savory dish of *bouillabaisse*, still as Spanish as a flower-decked patio, the proud old town of New Orleans is now putting heart and soul into a major course in commercial and industrial Americanization. In the shimmering crescent of the great river is rising a new city, a city packed with marvels a-plenty to applaud the ancient wisdom of Indian settlers who named the original site, Tchoutchouma, "the place of the sun." On view every day to charm the traveler's eye is a spectacle of transformation as magical as any Mardi Gras pageantry ever paraded from the fairy realms of Rex, Comus, Momus or Proteus. Always the charming and vivacious "mistress of the Mississippi," this renaissance New Orleans is setting a style for American cities. And nowhere has a reasoned progressivism found a more fascinating trimming of romantic antiquity.

Long famed as a dispenser of "cotton, cane and cocktails," the new New Orleans has expanded that celebrated trinity of commerce to nine hundred products, the output of a thousand mills and factories. In the streets, in stores, in offices, in clubs, on the docks—everywhere—a buoyant civic spirit is weaving its spell of enterprise. In this tremendous glorification of faith with works, the city has put its water-borne commerce into second place by the enormity of its tonnage; it has in-

creased its bank resources to \$330,509,000; it has raised the total of its building and loan resources to \$86,520,000; it has pushed up the total value of its manufactures to \$400,000,000 a year; it has undertaken developments, improvements, and municipal projects, estimated to cost \$250,000,000.

Whatever the significance of the decadent cocktail, there is no mistaking that the city thrives on water. From the days of Bienville river men and saltwater sailors have given color and character to life in New Orleans. The oyster luggers still ply their ancient trade, quaint craft still churn the placid waters of the bayous, and boats there are to vitalize the tradition of the

*Natchez* and the *Robert E. Lee*, but into the picture have also come huge steamers with foreign flags, and squat tow boats with freighted fleets of ponderous barges. For nearly fifteen miles the harbor works fringe the broad arc of the Mississippi, from Westwego and Southport on the northwest, to Chalmette, five miles below Canal street. Connecting the inner harbor and Lake Pontchartrain, on the north, is the twenty-million-dollar ship canal. Southward, one hundred and ten miles, lies the Gulf.

With increasing use of this convenient layout of waterways a few steps from capacious warehouses, New Orleans has become a livelier distributor and forwarder of goods to and from the prosperous trade empires tributary to the vast Mississippi

basin. On her wharves are piled the varied products of fertile western plains, and of prolific eastern and southern workshops. From abroad, last year, she received about 4,800,000 tons of commodities, and to the world she sent 3,800,000 tons of goods. By value, the first ten imports in the order of magnitude were: coffee, cane sugar, burlap, sisal fiber, crude petroleum, bananas, gasoline and naphtha, molasses, sodium nitrate, and creosote oil. Among the exports, by value, the first ten were: raw cotton, gasoline and naphtha, wheat, leaf tobacco, wheat flour, lard, kerosene, yel-



Long famed as a dispenser of "cotton, cane, and cocktails" New Orleans has expanded that celebrated trinity to 900 products, and ships of the seven seas await their turns at her docks



low pine boards, corn, and gas and fuel oil. Rated by tonnage, petroleum got first place in imports and in exports. Sugar and molasses, together, stood second, and bananas third in imports, and wheat and lumber second and third in exports. Cargo manifests of freighters bound for the Spanish Main are itemized reminders that New Orleans is "the grocery store of the Caribbean."

With the United Kingdom and continental Europe, exports, chiefly petroleum, cotton and grain, have been predominant. But with the West Indies, Mexico, and the east and west coasts of South America, imports have outdone export cargo because of the hold-filling import orders of raw sugar and molasses from Cuba, oil from Mexico, bananas from Central America, coffee from Brazil, and nitrates from Chile.

In expanding the business of any port, good transportation is decisive. One answer to New Orleans' forward surge is that she has it. She wanted it and her business men went out and got it. Ten trunk line railroads and ninety steamship lines are at her service. Their terminals are linked with a public railway. On the loop of this line cars are shunted to rail or steamship sheds for loading or unloading. That belt line is the tie that binds the throbbing circulatory system of the busy port.

Of the port and its possibilities the United States Board of Engineers for Rivers and Harbors says:

The port of New Orleans is rendering valuable service in facilitating the foreign and domestic trade of the nation. It is well situated to become of ever increasing value as the interior of the country becomes more densely settled, and as the consuming and producing ability of its enormous hinterland increases

correspondingly. The progressive attitude of the Board of Harbor Commissioners and of the local commercial interests gives splendid assurance that New Orleans will be found prepared at all times to meet the demands which the requirements of American trade may impose upon it.

Rail freight handled at New Orleans has climbed to the eye-filling total of more than half a million carloads a year—about three-fifths incoming, and about two-fifths outgoing. In rail freight received, grain and grain products, logs and lumber, mineral oils, cotton, coal, coke and charcoal, sand and gravel stand up highest. In rail freight forwarded, bananas, sugar, syrup and molasses, mineral oils, coffee, automobiles and parts, and lumber would make the biggest heaps.

From acetylene gas to yeast is the broad range of local products—in volume and variety enough to gladden the heart of any freight agent. Over the radio New Orleans

has told the world about "the world's largest single unit sugar refinery; the world's greatest cane-syrup canning plant, and the only mill turning sugar-cane waste into insulating lumber at the rate of one million feet a day"—and of "rice mills, oil refineries, summer clothing factories making 80 per cent of the wash suits worn by American men, and other industries of infinite variety."

#### New Industrial Harbor

IN substantial evidence of the new impetus to manufacturing and merchandising stands the pretentious industrial harbor development, now offering industry and commerce leased or privately-owned sites and facilities on a sitless, currentless harbor. Distinctive, too, is the International Permanent Trade Exhibition, housed, rent free, in the Army Base building. Established as a permanent display of raw and fabricated products, this non-profit, co-operative exhibition was encouraged by the United States Government, banking, industrial and trade organizations, the State of Louisiana, and the city government.

Inspired development is the order of the day in this lusty rejuvenation of the old river town—a sight to put a seal of reason on DeSoto's belief that the river contained the essence of youth. So sudden have been the intimations of this new vigor

*In the French quarter the old Creole customs endure. Graceful balconies overhang narrow streets and weathered landmarks recall the deeds of Jackson, Lafitte and O'Reilly. (Below) Site of General Jackson's famous victory over General Packenham in 1814*





that citizens share astonishment with visitors. Before their wondering gaze is spread a modern metropolis with its paint and plaster hardly dry, for skyscrapers, hotels, apartments, and other new building ventures have quickly taken firm root in this friendly soil and now pillar a skyline that induces exclamation and stiff neck.

Belated discovery that a Southern exposure in the South is no more sultry than in the north assured the building of apartment houses, even age-mellowed mansions have been converted into apartments or razed to make place for hotels. It may be that the South is developing a servant problem, but the trend toward apartments seems only an expected attribute of urban life.

For this new New Orleans two new bridges over the Mississippi, and one across Lake Pontchartrain are planned. On these long spans to compress distance to the north, east, and west, \$25,000,000 will be spent. On the Lake side, a five-mile, mosquito-plagued strip is being reclaimed to make an inviting beach and residence section. This bit of municipal magic, which adds another beauty spot to the city, will be performed at an estimated cost of \$27,000,000.

#### Motors Made Good Roads

IN THESE improvements the motor car is an accelerating factor. New concrete and gravel roads are open to all parts of the north and east—a direct run from New Orleans to Winnipeg, a distance of 2,400 miles, can now be made in a little more than a week. Bad roads and detours have had their day in much of the South.

For magnets to populate all the new construction there is a fascinating wealth—

the sprightly institution of Mardi Gras, the rich stakes of the winter race meet, the primitive allure of rod and gun, the lordly sport of yachting on the Lake, the captivating stretch of coast from New Orleans to Mobile—"the Riviera of America"—with its pleasant resorts of Waveland, Bay St. Louis, Pass Christian, Mississippi City, Long Beach, Ocean Springs, Gulfport, Biloxi, Seranton, Pascagoula, bright spots to garland any holiday for luxurious foaming. But underneath the gay froth of amusement for the care-free visitor is the sound structure of the city's industrial life, giving the steady employment that establishes homes and helps business to keep on keeping on.

It would have been pretty easy for New Orleans to have been a weed—and the fact that she's flowering attests the vision and sound judgment of the men who have raised her. In this cultivation her business men have been prompt to lend a useful hand. Working through the Association of Commerce they have helped to train the city in the way it should grow. The seeker after New Orleans truth will find the record of their public service in the creation of a city planning and zoning commission, in the well-paved streets, in the bright lights that shine on Canal and St. Charles Streets, in the Jefferson Highway from New Orleans to Winnipeg, in the clearing-house for local charities, in the saving of a \$300,000 gift to the city for a tuberculosis hospital, in the restored steamboat service on the Red and the Ouachita Rivers, in the morning glory vines that cling to telephone poles—in things for the good of the order.

So the city works and plays, a great book of life, divided into two parts by the bustling thoroughfare of Canal Street—a sort

of Old Testament on the north, a sort of New Testament on the south.

On the "downtown" side is the Vieux Carre, the French quarter. There Creole customs endure. There balconies overhang narrow streets, and French is still spoken. There are the weathered land-marks to give romantic substance to the deeds of Jackson, of Lafitte, and of O'Reilly. And though "many of the foremost families of France brought with them thousands of articles of art, virtue, and embellishment of the nobles and their followers," there is "no factory making New Orleans antiques."

#### A New City Springing Up

ON THE "uptown" side is the new city, growing with dynamic pace and push—too purposeful and restive to sit for its portrait.

New Orleans is all things to all men. She provides a spicy seasoning according to taste.

Perhaps it is all because of the *gumbo Nouvelle Orléans*, or the Association of Commerce, or the galvanic civic spirit, or the warm southern hospitality, or the balmy climate, or the old habit of giving *lagniappe* to customers, or a combination of all these pleasant solvents of perplexing problems—but whatever the ingredients or their proportions in her success, New Orleans has contrived to find a place in the sun.

*Editor's Note: The tapestry that is the United States is vividly colorful and of most intriguing design. Some months ago we wrote of our Northwestern Corner. More recently we have considered New England; even more recently the South. During a recent visit in the Crescent City I was much impressed with the romance of both the old and the new New Orleans. I've tried to set down some of these impressions here.*

## The Human Side of Banking

By THOMAS J. MALONE

Cartoon by Charles Dunn

HE MADE his way to the cashier's desk with the assurance of a customer in good standing—a small, dark, thin-bearded man, with piercing eyes under an old derby hat. It happened in a neighborhood bank.

"Good morning, Abe," the cashier greeted. "What can I do for you today?"

"I want you to write for me a letter," said Abe.

"All right; go ahead. Whom to? What do you want to say?"

"My brother-in-law in Texas, Dave Goldberg, he owes me \$1,000. I want he should pay it."

The cashier jotted down in pencil, "Dave Goldberg, Rockport, Texas," meaning to run it out on the typewriter later.

"What next?"

The customer cocked the derby with decision. "Say this: 'You owe me \$1,000. Your time is now up. Pay me the money.' That's all."

The cashier wrote. "All right, Abe; but what about a salutation?"

"Salutations? What do you mean—salutations?"

"Well, how do you want to start off the letter? Don't you want to begin 'Dear Dave,' or something like that?"

"'Dear Dave,' you say?"—with fine scorn—"Hell, no! Didn't I tell you he's my brother-in-law? What do you think this is—a love-letter?"

There are those who look upon banking as all prosaic, a dry-as-dust business. Even some bankers are suspected of so regarding it. Yet it is as full of laughs as any other pursuit that engages men.

The president of a big city bank was speaking of this. "I have to laugh in order to keep my health," he said. "I try to get a man to laugh with me before we talk business. Laughter is evidence of harmony of mood; it is like music in bringing men together."

#### The Old Order Has Changed

TAKE a seat in the lobby of almost any busy bank and observe what is going on at the open desks inside enclosures. Officers and customers may seem engaged in little other than entertaining chats. They laugh as over a good story. Where is the dignity and reserve of the old-time banker; where

that mask of caution which he always wore in business hours, wore so habitually that at last he couldn't lay it aside out of hours and so went through the rest of his life in an artificial make-up—thereby putting one over on the wife who had married him for his natural self?

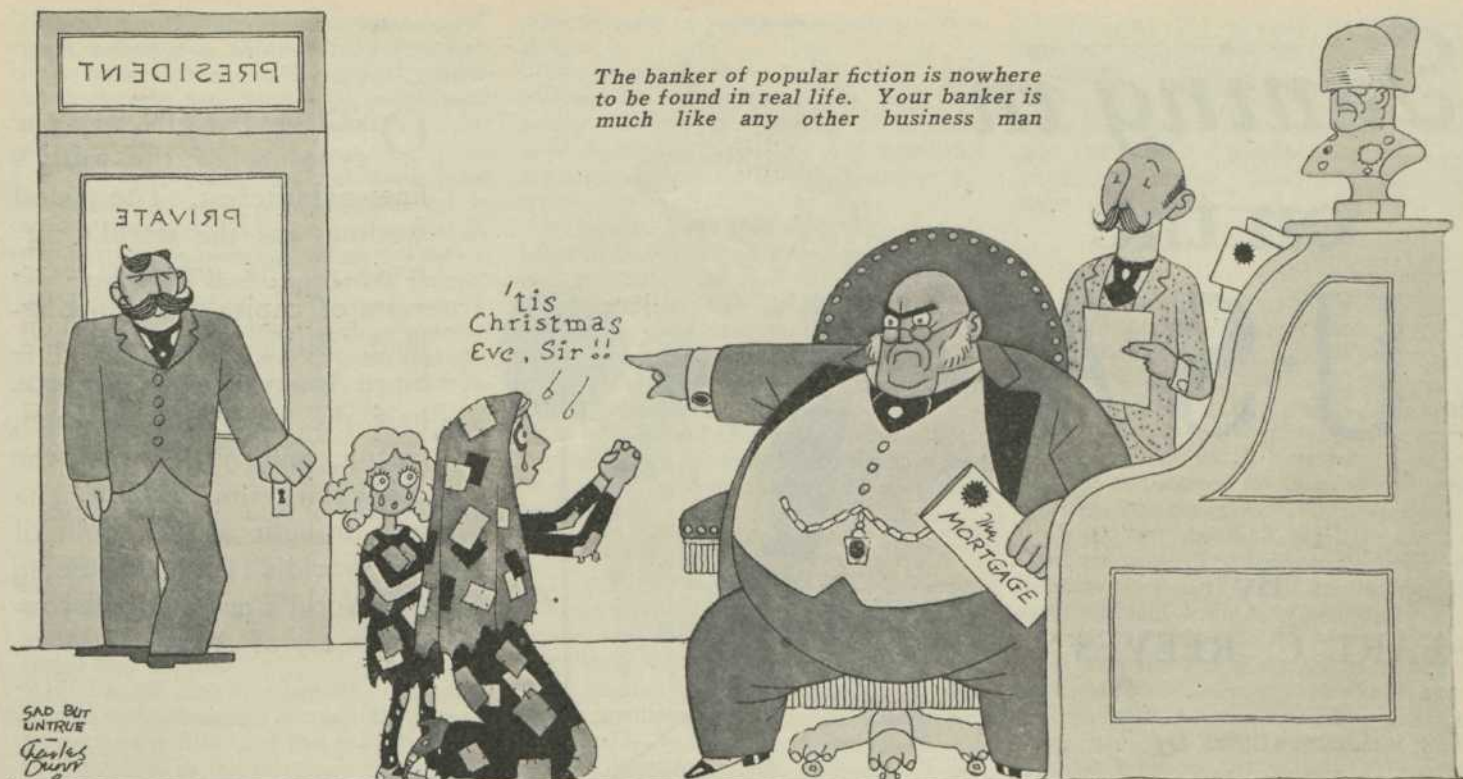
Profundity has departed from the modern bank, at least from banks in most parts of the country. Rarely now does one meet in its personnel the immobile visage, the glassy eye, the gripless hand. Your banker is much like any other business man—keen and skeptical usually, but, for all that, human.

"Banking is not all deposits and withdrawals, loans and discounts," went on the president with the penchant for laughter. "It is full of good cheer, of amusing and even ludicrous happenings, of contacts that conduce to merriment."

For nearly forty years, this bank man has been telling a story on himself as illustrative of the lighter side of banking.

"I have lived in this city all my life. When I was a green youngster, not long out of school, my father suggested that I go over to our district bank and ask the cashier for a job. I hadn't much nerve, but I realized that he couldn't do more





The banker of popular fiction is nowhere to be found in real life. Your banker is much like any other business man

than say 'no'—a conviction that has helped many a man in a tough undertaking—so I went.

"That cashier was noted for canniness and crustiness. I stammered out my mission, somehow. He looked me over.

"So you're Matt's boy," he said.

"Everybody in that neighborhood knew my father.

"He made no further comment; held me in suspense for a full minute. Then he pointed to one of several roll-top desks. 'Sit there,' he snapped.

"I sat. Never before had I sat in front of a roll-top. It was impressive, overawing. He gave me a sheet of paper, indicated pen and ink, and told me to copy a page of script and figures he put before me—the usual preliminary test of an office job applicant in those before-the-typewriter days.

"He glanced over what I had written. 'Sit there,' he ordered again, so abruptly that I jumped. 'There' was before another roll-top whose chair was vacant. I stumbled over to it. He went back to some papers on his own desk. Suddenly he swung around. He gazed at me severely.

"Do you smoke?"

"Yes, sir," I admitted.

"Do you chew?"

"Y-yes, sir."

"Do you drink?"

"I was a member of a good German family, and of course we had always had beer in the house. If I had clung to any hope of a job, it vanished right there, but I managed to tremble out:

"Y-y-yes, sir."

"He pored over the papers on his desk. Finally he turned to me. His eyes were stern. His lips were stern.

"You're hired," he said."

The boy that was hired on the strength of his admissions, without explanation, modification or quibbling, that he smoked, and drank became president of the bank.

The neighborhood or outlying bank in any large city, like the small-town bank, has the chance to get close to customers, to cultivate them in ways less possible to the larger institutions. Many neighborhood banks encourage whole families to get the habit of coming to the bank, invite consultation on any subject, financial or otherwise. A manager of an outlying branch of a metropolitan bank told this one as illustrative of domestic problems sometimes referred to him:

"A woman past fifty asked to see me one morning. She said: 'Ole, my husband, has \$7,000 in your bank. Now he is going back to Norway and he says he will take out the money and give me only \$1,000. Is that fair? I've worked as hard as he has to save that money. Shouldn't I get half of it?'"

"It seemed wise to learn more of the facts before judging. 'Tell me all about it,' I suggested. 'Is Ole leaving you; are you and he separating?'"

"She said that was it. The children were grown and doing for themselves; scattered. Ole was tired of family life. I asked if she thought she might be to blame, at least partly; could she recall anything she had said or done that might have estranged him? No, she couldn't. 'Well,' I ventured, 'just forget about that money for a moment, Mrs. Ole, and look at this side of the question. Are you satisfied to have Ole leave? Don't you still love your husband?'"

#### She Still Loved Ole

"HER EYES filled with tears. She did love her husband; didn't want him to leave her. 'Suppose,' I said, 'you let this money question alone for the present. Go home and be as nice to Ole as you know how to be, no matter how he's been acting. Cook him extra fine meals; remember all the dishes he likes best; tell him how well he's looking; let him see that he's going to miss a lot of comforts if he lives away from home.'"

"Two weeks later I was looking out the bank window and saw Ole and his wife going up the street, arm in arm, deep in talk. They had made up. The money question was never raised with me again. In fact, I think the money is still here.

"Such experiences are not uncommon. I tell our minister that I am invading his field, that I have as many and as varied moral problems presented to me as he has. He nods, but counters that the bank will never encroach so far as to perform weddings and christenings."

#### An Extra-Routine Service

ALL in all, the direct, personal service of community banks presents some of the queerest twists in the way of the comic. The queerest disclosed was this:

"One busy day, about an hour before noon," a bank head said, "a child's voice, a little girl's, came to me over the telephone. She had my name all right.

"Mr. Buell," she said, "my mama says to tell you that she's alone in the house and is going to have a baby right now."

"Years of dealing with the joys and woes of a neighborhood have taught us to be astonished at nothing. This looked like a call for emergency service. I got the address from the child. Then I 'phoned a physician who officed over the bank and shot him over to the address.

"He arrived barely in time to—well, to be in time.

"Now that child did the right thing. We take pride in the fact that the mother thought of us immediately, had such faith in us, that the child called us fearlessly, as a friend of the family's, and that we were able to measure up to expectations. 'We are here to serve.'"

Which suggests that if banks are already acting as assistants to the stork, the time may not be far off when they will perform both christenings and marriages.



# Tuning in on the U·S·A·

By  
EARL C. REEVES

Decorations by  
A. Edwin Kromer



ONCE LONDON was the cynosure of the world's financial interest. The pound sterling was the world's currency. The greatest reservoirs of capital were in England. But a change has come. Since America produces about half the world's steel, iron, cotton, lumber, and fuel, the change was inevitable. The war brought us the bulk of the world's gold, hastening the World's economic discovery of America.

WHEN Europe silenced her guns, bound up her wounds and embarked on that intricate, baffling and disheartening task of reestablishing Business-As-Usual, the older, eastern world began running into many stubborn facts.

One of these stubborn facts was realization that America was no longer a self-contained entity way off yonder in the distance somewhere, but loomed ever larger and larger upon the world economic horizon. Since we produced, at a rough estimate, half of the world's steel, iron, copper, cotton, lumber and fuel, it was inevitable that we would loom large; but because the war brought the gold to us Europe "discovered" us sooner.

"You are rich," I heard foreign businessmen say, during the three or four years after the war.

"You have all the money. Now we will have to come to you."

But I thought at the time that the idea was in words, that it hadn't registered very strongly in their consciousness. Then, as every one knows, turmoil subsided somewhat, and they *did* begin to come to us.

Followed then, "New York is becoming the world financial capital," or again, "New York has become the money capital."

Such declarations of course, are still debatable. I do not pretend to know whether New York is, technically, the world's financial capital. Interviewed, one banker will say "yes," another will say "no," and a third—perhaps the biggest of the three—will say frankly that he does not know.

But when you consider the eagerness with which all the money marts and great commercial centers of the world "tune in" on New York, you obtain realization of the extent to which we are now setting the pace.

## London in Eclipse

THE FINANCIAL news-gathering machines of the world formerly were trained on London. More things of world import happened there than happened anywhere else. The pound sterling was the world currency. The greatest reservoirs of capital were in England. The greatest shipping organizations were there, and the most skilled world traders. Stricken as she has been, Britain still retains many of these basic advantages. But the bankers and the manufacturers and the merchants of a score of important nations now watch New York.

Let us consider what has happened.

First, as regards general news having an economic significance:

When the long peace conference ended and Wilson came home and was repudiated, you will remember that American editors read the handwriting on the wall and were "bearish" on European news. Their readers, they decided, wanted little of it.

I watched a somewhat similar reaction abroad. We had been rather important in war and in peace-making; I suppose they thought we had rather "hogged the picture" and that they wanted to hear less about us.

But neither the American nor the foreign editor could become an "isolationist." Day by day, things happened in Europe that meant something to the pocketbook of an Iowa farmer. And what Kansas farmers happened to be thinking was likely to make a difference, too, to the pocketbooks of financiers in the territory which we vaguely comprehend under the title of Czecho-Slovakia.

Week by week, and month by month—particularly during the last two or three years—there has been a steady increase in the sending abroad of American news. Where Europe, for instance, "listened" to the United States through but a single



channel a few years ago, the three major press associations today send voluminous news reports abroad, while special correspondents sent here by foreign newspapers also keep the world advised of what we are doing.

I have not actually measured the volume of increase in news filed abroad—that is to say, in the world's increase in interest in us—but I have been a news agency editor and executive at home and abroad, and my considered "guess" is that there has been a thousand per cent increase since pre-war days. Which may be said to mean that the world as a whole is just about ten times as interested in us as it was in 1914.

That is easily explained: we mean more to the world.

We have become the pace-makers.

Second then, we come to what I might call the world's "market-page." We were scarcely on that world page at all in the old days. We grew what we ate and made what we used and were thousands of miles away. But today consider some of the things that happen:

In far off Tokyo when the Japanese banker or businessman reaches his office—he is an early bird, and this is likely to be at about 7.30 in the morning—his first attention is for a marvelously complete digest of what has happened in the United States. If all's well with his distant eastern neighbor, your Japanese capitalist is happy and bullish for the day.

About the highest peak I have ever seen on a price chart I found on one published by a Tokyo silk concern, and it marked the day when the cable broke and no one in Japan knew the state of the American market. To guard against such contingencies, news executives in New York, whose business it is to keep the world informed regarding the new leader of world finance and trade, have carefully worked out emergency plans. The American report which sets the pace for a business day in Japan has arrived at "urgent" cable rates—or at about \$3.50 a word. But if a cable breaks, the costs will mount to \$10 or more, because then these all-important dispatches will be filed at least three ways; and may reach their destination via Australia and Shanghai; or the long way around via England and India; or come to the Island Empire over the land route of the Great Northern, across Siberia.

#### Importance of our News

**B**UT AT any cost, the Japanese banker or speculator *must* have his news from the States.

It is no mere column of market figures which the Far East demands of us.

Two inches off the length of Miss America's skirt is a great financial item beyond the Pacific. New fashions in stockings and undergarments are sober facts in this market news symposium. The rising popularity of a mixture of cotton and silk, or of artificial silk—some such thing as this may translate into great wealth or bankruptcy by the time the cable which tells of it is read by quiet-faced gentlemen engaged in the silk business in Japan.

But Japan's sole curiosity about us is not merely an interest in her greatest consumer of silk; she demands, daily, a com-

plete financial and business picture of Uncle Sam.

The Japanese are gamblers. Their stock exchange is more speculative than any other except our own. A change of a few points in U. S. Steel in New York will throw this distant stock market into a frenzy of activity.

In fact, it is said that the Tokyo trader's belief in U. S. Steel as a barometer of general conditions is fixed and unalterable, despite the fact that his American advisers repeatedly point out that purely domestic speculative conditions may be wholly responsible at times for that leader's antics. If, on the same day, we were to double the price of silk and drive U. S. Steel down twenty points, his mental perplexity would be such as to demand the attention of a brain specialist.

#### Daily List of Stock Prices

**N**OT THAT the speculators of Tokyo do not have other evidence to guide them. It may surprise you to learn that they receive daily, opening and closing prices on forty leading American stocks; a list that ranges intelligently through our entire business world—such stocks as Beth Steel, the motors, American Sugar, American Chemical, Anaconda, American Locomotive, General Electric, Standard Oil. The Japanese also has his daily look-in on the condition of our grain and sugar markets; receives quotations and general news about wool, raw cotton and cotton goods; is kept advised constantly about the market for steel, pig iron, copper, tin, zinc; and on certain days of the week he receives rather long surveys of general conditions in the various industries.

And of course our New York ratings on the currencies of the limping world have been very important to him for years.

To summarize all this: When the daily cable report to Tokyo of Ameri-

can financial and business news in all its branches is laid out in the words as spoken—actually it goes forward greatly condensed—the result is something over two thousand words of the finest kind of financial and business history obtainable anywhere. It seems almost incredible that their interest in us should be so great!

#### Yankee Financial Facts

**Y**ET THIS is no isolated instance of one nation gone America mad. Nearly all these Yankee financial facts, in addition to being scattered to such Japanese cities as Tokyo, Osaka, and Yokohama, are sent on their clattering way to Shanghai, Hongkong, Canton, Bombay, Colombo, Singapore.

Only recently another special report was planned and started for Bombay and other southern Asiatic cities. When decoded it is almost two thousand words long. Two staid columns of American financial and business news carried half way around the earth and laid down daily in India!

It is estimated that the sending of such news into the Far East has increased at least *six hundred per cent* since the war.

Even South America has "discovered" us. Time was, not long since, when South America borrowed its money in England; traded with Britain and her possessions by preference; and also was linked in commercial interest, as in language, with the Medi-

terranean. As late as seven years ago, the biggest newspaper in South America received no financial report direct from New York. North America, for these neighbors of ours, was somewhere near the pole; the Old World was the neighbor.

But South America now borrows in New York, and Buenos Aires, for one, prints daily about three-quarters of a column of closely packed financial news of us, including prices of twenty-five stocks, in addition to a "general lead" of analytical comment. And when she floats a loan here, Argentina prints many interviews with American and Argentine bankers regarding the shifting of the world financial capital and the strengthening of the commercial union between the northern and the southern halves of the



"Two inches off the length of Miss America's skirt is a great financial item beyond the Pacific."



western hemisphere. Trade may have followed the flag in olden times; but the South American version is that trade follows the loan in this modern day.

The measure of the South American business man's growing interest in us is an American financial service that has *more than doubled* in three years.

We have been linked more closely to Cuba by leased-wire news services; to Central America by improved cable conditions; and naturally the Canadian interest in us has increased steadily in keeping with the industrial growth occurring on both sides of the boundary.

The words "Listening in on U. S. A." are quite literal, as applied to Europe. Over a period of many months, Europe has demanded constantly more and faster financial service from America. In their efforts at meeting this demand the men who "tell the world" for us have devised, within the year the fastest thing in international news reporting the world has ever known.

Speed in News Distribution

**I**F THERE is a break in the wheat market in Chicago, news of it may be in Budapest *well within five minutes*. And there, almost next door to the vast territory that formerly was the granary of Europe, a bulletin telling of the break will be placed upon the desks of bankers and brokers long before newspapers containing the same facts are for sale on the streets of the United States. Leading business men in troubled Poland will be advised no less quickly.

Should United States Steel pass a dividend, that fact would cause a stir in Manchester, on the Ruhr and in Lodz—almost as soon as in Pittsburgh.

From one agency alone, seven times each day, financial bulletins of the most comprehensive sort go forward to Europe; by radio or by cable, depending on which is proving to be the quickest and most reliable. Or by several routes if there is trouble. In London these reports are relayed to a broadcasting station with almost no loss of time: constant effort reduces the delay to a minimum.

There, coded, and preceded by a key word so that they may be recognized by "consignees," but by no one else, the dispatches are thrown to the four corners of Europe on the ether wave; and are picked up and decoded and distributed simultaneously in *twenty-two* of the leading cities of the Continent.

Because this is a very expensive business, judged by Continental standards of newspaper expenditure, bankers, speculators and business men of Europe keep their fingers upon the pulse of New York not so much through news columns as through special services to which they subscribe.

Barely around the corner is a day when the world will "listen in" on New York, not by way of London relay, but directly. The time is not far distant when New York will radio the economic events of its day; and not only Europe, but much of the rest of the world as well will hear.

We do not see, ordinarily, many kinds of facts that go abroad.

For instance, we may not care a great deal personally about quotations on hides.

Hides have to be quoted, naturally, when we come to think of it—though we hadn't thought of it, or I hadn't, lately.

Seriousness of a Fad

**B**UT LET Miss United States and the young lady said to be her mother decide to wear a little less in the way of foot-gear, and quite a large hunk of that special news report for India is going to talk about hides, expertly and at length. For in Bombay goat-skins are almost currency; at least they have been exchangeable for the most stable currency in the world at firm rates for a long time past.

Or again, we can well understand that the American weather man and what he is doing to our great open spaces may be important for Argentine, which also has vast wheat fields; but the importance of American weather in financial service sent to Japan is not so readily understood. However, a firm in New York recently lost a quarter of a million dollars by selling one single lot of silk goods at \$1.50 a yard below cost. This loss, due to the fact that winter continued into the season when the best dressed women in the world usually turn to sheer fabrics, is a ponderable fact; but a flourishing imagination is required to picture all of the effects in the Orient of this one weather fact.

Striking, too, is the interest the "new" countries of Europe have in us and in our financial affairs. This interest is due less to our position as a "parent"—it was an American dictum regarding self-determination that brought some of them into being—than to the size of our bankroll, the productiveness of our lands and mines and factories; and finally, our leadership in consumption.

Our silver reports are vital to Shanghai, which gambles frantically in that metal; and our rating of the Japanese yen was for a long time most important—of all places—in Berlin, because the German capital turned from downward marks to speculate in the yen as it rode toward par.

At present, in one New York office, six men work from ten until four, telling the world the business story of the metropolis some call the new financial capital. One by one, these men have been added as the world thirst for hard American facts increased. In other offices the reporting is not on such an extensive scale; but, considering the situation in bulk, as it were, I have heard it estimated that Europe's demand for the financial and business news of America has increased at least *five hundred per cent* since the war.

The Old World Listens In

**F**IRST in each message that is flashed broadcast from London is a list containing New York's ratings on fifteen foreign currencies. That the Old World which took its gospel from London should want our foreign exchange list hourly or oftener is in itself amazing.

Second in importance is the stock list: that is, the prices of the most important stocks on the New York exchange.

Third, perhaps, in the eyes of the overseas observers is news about petroleum—almost any kind of news affecting petroleum. It was not through an idle whim

that the peace conference devoted so much time to the question of oil lands: Europe is interested in oil. And we produce fifty-eight per cent of all of it.

After these things, many other commodity markets—cotton, wheat, corn, rubber, steel—and important commercial news of all sorts. The increase in filing of general business news has been quite as great as the increase in demand for specific quotations, or for "leads" or analytical stories about standard markets.

The net result of all of this revision of the financial news map in favor of New York is that there is now available in the capitals and chief cities of Europe well over *three thousand words* of American economic "intelligence" each twenty-four hours. And just in case you think of this wordage in terms of pages of a florid best-seller, I beg that you pause and consider what a mass of figure, fact, comment and analysis can be crowded into ten closely typewritten pages.

The newspapers of comparatively few American cities ten years ago printed a more comprehensive American "finance and commerce" report than that which is available in the capitals of Europe today.

The Old World is "listening in."

Bank Mergers Keep Apace with Business

**B**ANKS, like business enterprises, feel the intensity of the new competition. In seeking new customers, banks are handicapped by being able to offer little that is unique. They cannot offer cut rates, or special credit patterns, or exclusive services. All well-managed city banks are selling precisely the same services. This situation is a factor in heightening bank mergers and consolidations. Mere bigness gives a bank special advantages in dealing with large customers. A bank can only lend 10 per cent of its capital and surplus to a single borrower, and, in order to cater to giant corporations, banks are finding new ways and means of increasing capital and surplus. Natural growth is one method; mergers another. The recent numerous bank mergers represent an attempt on the part of financial institutions to keep apace with the growth of business and the concentration of trade into the hands of large and dominant corporations.

In New York, the most recent banking wedding, bringing together the Irving Bank and Trust Company and the American Exchange-Pacific Bank, into the new American Exchange Irving Trust Company, has changed the relative standing of the nation's leading money reservoirs. The new institution on the day of its birth forthwith became the largest trust company in the world, and the third largest bank in New York. The ten leading banks of New York—and their seventy-five branches—represent nearly three-fifths of the total banking resources of the city. There are 133 other banks—only one more in the aggregate than was the case four decades ago when the business of the city was incomparably smaller. In that earlier period, the big ten among the banks represented only one-third of the total resources.—M. S. R.



# Everyman and His Bank



An American buys \$5,000 worth of goods in Europe; an European buys \$5,000 worth of goods in this country

IX. The printing executive consults his banker about the intricacies of foreign exchange and offset procedure

By DALE GRAHAM

Illustrations by Emmett Watson



By means of foreign exchange, the transactions cancel each other. The sellers get paid without a cent of money crossing the ocean

LUCIFER SMITH, president of the Climax Printing Company, sat on the observation platform of the "Night Bird" and watched the myriad lights flash past. After a hard day in the great city, the rhythmical click of the rails soothed his nerves. He slouched in his chair, dropped his head backward, closed his eyes. The rumbling of the wheels and the click of the rails became to his drowsy mind a great symphony, increasing to a furious tempo as the "Night Bird" fled from the city at a speed that only a train with its split-second schedule would attempt to maintain.

How long he had been asleep he did not know. He was awakened by a hand grasping his shoulder, and a voice which sang out:

"Wake up, Lucifer, or you'll be full of cinders by morning!"

The printer looked up to find Vernon Martin, vice-president of the First National Bank of his home city, grinning down at him.

"Well, Mr. Martin! When in the world did you get on this train?"

## A Business Tour Abroad

"SAME time and same place you did, I suppose. I've been sitting in the sleeper reading, but the porter routed me out. The deposit of grime on your face tells me you have been out here for some time."

"Since the train started. I was a little lonesome. My wife and I came to the big town yesterday so she could buy some things for our trip to Europe next month. She couldn't spend enough money in two days, so I had to leave her and get back to the plant."

"I envy you the trip."

"Well, it's not entirely a pleasure trip. While there, I'm going to negotiate for the distribution of some books we publish—also try to pick up some new ideas and buy some fancy paper stocks. By the way, I was coming into the bank this week to get fixed up on the financial end of the journey."

"Be glad to have you do it." The banker offered Lucifer a cigar, but the printer preferred his cigarettes.

"You see, I don't know much about this European finance stuff—except that I read they don't want to pay their debts—and I've got to get straightened out. I'm not even sure how I ought to carry my money."

"Well, you'd better take most of it in travelers' checks or in a letter of credit. We can furnish you with both at the bank."

"I know, but what about all this foreign money business—pounds, and shillings, and francs, and marks? Do I have to load up with a lot of different kinds of currency?"

## Universally Used Checks

"NOT UNLESS you want to take an unnecessary risk. The best way would be to take some dollar checks or credit letters, and convert them into local currency as you go along."

"Then what I get in local currency will depend upon what those foreigners take a notion to give me?"

"Yes and no. These travelers' checks we will sell you are payable at the published current rate. You see, they are not our own drafts on foreign banks, though we have several correspondent banks in Europe. They are—well, there are two kinds, American Bankers' Association and American Express Company checks—c-h-e-c-q-u-e-s, they spell it. These checks are identical in principle with the ones we might issue. Every one knows the bank draft is good, but distrusts a personal check unless he knows the maker. In the old country, they get a lot of the A. B. A. and Express Company checks and are willing to accept them in almost any bank or hotel, though they might not take much stock in ordinary bank drafts."

Lucifer drew some cigarettes from his pocket and lighted one.

"Well, to go on with the foreign business, what if I should want to do some business with paper manufacturers over there—would I have to carry around a lot of travelers' checks to pay for the stuff before it was shipped?"

"No, not unless you wanted to handle it that way. Such things as that—foreign imports and exports—are handled by what we call *Commercial Letters of Credit*. It's a more or less complicated system of finance-

ing, but I'd be glad to try to explain it to you if you are not too sleepy."

"Sleepy? On the contrary, my nap made me feel fine. I would like to learn something about this foreign exchange business before I go across."

"Then let's go inside and get away from this noise and dirt. It will be hard enough to fix up an understandable explanation without having to shout it."

The coaches of the "Night Bird" were swaying under the terrific speed despite the smoothness of the road bed. Bracing themselves sailor-fashion as they walked, the banker and the printer made their way into the observation car and settled themselves in the generously upholstered chairs.

"I suppose," began the banker, "I had just as well start out in an elementary way, as I used to do when I taught a class out at the college. I used to make up some fictitious characters—two Italian boys and two American boys in the business of selling papers. I called my Italians Pete and Tony; the Americans George and Henry. The Italians lived downtown and the Americans lived uptown. Now it happened that Pete owed George \$5, and George said to his friend Henry, 'You know, I've got to go down and collect my \$5 from that Italian.' Henry said, 'Why there probably will be an Italian up here looking for me if I don't go downtown and pay the \$5 I owe Tony.'"

## Simple Offset of Debts

"THEY walked on a little way, and George was thinking hard. 'I'll tell you what let's do,' he finally said. 'Pete owes me \$5, and you owe Tony \$5. You pay me what you owe Tony, and I'll telephone Pete to pay Tony my \$5. In that way we will all be square without carrying the money downtown.' So they did it, and lived happily ever afterward."

"That's a very elementary example, of course, intended for schoolboys, but it illustrates the way debts are offset for goods exchanged between countries. Money—gold—does not pass between the countries for import and export shipments, except to clear up the trade balances. By that I mean foreign transactions are offset as far



as possible, and money is used only in case one country exports considerably more goods than it imports. This offsetting business sounds simple, but in practice it is a complicated matter. It would be easy if there were only one importer and one exporter in each country—they could get together just as George and Henry did and offset transactions with Pete and Tony. But every country has thousands of exporters and importers, so the task of consolidating the transactions for offsetting them is a big one. It is done through bankers and foreign exchange brokers."

"Yes, I think I understand that much of it, but what is all this about dollar drafts, pound bills, and acceptances that I hear?" asked Lucifer.

"I wanted to start at the beginning and go through in logical order. I'll come to the bills of exchange part in a very few minutes. We will have to bear in mind right along that foreign exchange takes the form of a commodity, and is dealt in as such. Banks and exchange brokers buy and sell foreign exchange just as a commission man buys and sells butter and eggs. To facilitate transactions, they keep a small supply of that commodity in stock—that is to say, they carry balances with banks in the principal foreign cities, against which they can draw by draft or by cable. Foreign banks keep balances in the United States for the same purpose.

#### Letters of Credit

**B**UT THE bulk of the foreign exchange business is offset, each sale of exchange being covered by a corresponding purchase. Here is how it is done: Let us suppose you wanted to buy some paper in London totaling \$5,000. You would come into the First National and we would issue a banker's letter of credit, addressed to the seller of the goods, in London. The letter would say something like this:

"To \_\_\_\_\_, London.  
Gentlemen: We (the First National Bank) hereby authorize you to value on us (value is an English word for draw) for the account of the Climax Printing Company, up to an aggregate of \$5,000, available by your drafts at 90 days' sight, against shipment of paper (describing the shipment) to New York (or wherever you had the stuff shipped).

#### Conditions for Draft

**T**HE LETTER of credit would go on to say that bills of lading had to be made out to the order of the First National, that consular invoices and one bill of lading should be sent direct to us, all other documents to accompany the draft. Then, the letter would conclude—this is the important part—that when such conditions had been observed, and a draft drawn under the letter of credit was presented to the First National, we would accept it and guarantee that it would be paid at maturity.

"Now when the European seller got this

letter of credit, he would pack up the paper you bought and put it on the steamship, getting the duplicate bills of lading, insurance papers, and everything. He would then write out a draft on the First National for \$5,000 and take it to his local banker, along with the letter of credit.

#### Collection of a Draft

**A**FTER examining the letter of credit, the European banker would satisfy himself that the necessary documents were attached and then discount the draft for the seller. The discount would include interest not only for the ninety days the draft was to



Lucifer was wakened suddenly by a hand on his shoulder

run, but interest for the estimated time that would elapse before it would be presented to us at the First National for acceptance. You know '90 days after sight' means the draft is payable 90 days after it is first presented to the drawee."

Banker Martin was getting a little ahead of Lucifer. "What do you mean by acceptance?" asked the latter.

"I'll get to that in a minute. Now the European banker would give the proceeds of the draft to the seller, and that would let him entirely out of the transaction. The draft would then be mailed to the European bank's New York correspondent, for credit or for remittance by check. The New York bank would send it to our city probably to one of the other banks, and it would be presented to us at the First National for acceptance. Now when we say we accept a draft we mean that the First National recognizes it as genuine and regular in all respects, and agrees to pay it when it matures. This is done by stamping 'ACCEPTED' and the date, with the signature of a bank official below when we accept

the draft; we take the bill of lading off it and turn it over to you so you can get your paper shipment.

"After the draft was accepted it would go back to the New York bank, which would do one of two things: keep it until ninety days were up for the interest it would bear, or sell it in the open market. There is in New York a market for bankers' acceptances, just as there is a market for stocks or bonds. Then when the draft became due it would be presented to us—or probably to our New York correspondent, for our account—and paid. That would end the transaction."

"Well, when would the Climax Printing Company have to put up the money?"

#### Payment in 90 Days

**T**HAT would depend. You have a line of credit with us. Guaranteeing a draft of that kind would go in on your line. Or, if you desired or we required it, you could put up cash or collateral to secure us. We simply substitute our credit, which is generally accepted, for yours, which might not be. Of course, you would have to come across with the money by the time the accepted draft finally matured. In the ninety days that elapsed, you could use the paper on printing jobs and get your money from the ultimate consumer."

"I see. But one more question. Who pays the interest on the draft while it is out?"

"You do, indirectly. This is included in the cost price of the merchandise. The seller figures his price so what he gets, net, from the draft will pull him through the transaction with a profit. If you paid cash, he wouldn't charge you so much for the paper."

Lucifer lighted another cigarette.

"Well, Mr. Martin, that is very interesting, but I still don't see where it explains all the offsetting business you were talking about."

"When your draft is sent to New York, the London bank debits the New York bank \$5,000 and the latter credits the same amount to the London bank. Now, when a European draft goes through similarly, the New York bank debits the London bank, wiping out the other credit, and the London bank credits the New York bank, wiping out the other debit. Thus, everything is settled without the passing of a single dollar in money."

"Well, now it begins to clear up."

"It's getting late," yawned the banker. "In fact, too late for a lesson in foreign trade. Come in to the bank when you get ready to leave and we will fix you up on travelers' checks or a travelers' letter of credit."

"What's a travelers' letter of credit? You didn't tell me."

"Same principle as the commercial letters of credit, only addressed to any bank in Europe instead of some paper merchant. It authorizes you to draw drafts on us for cash."

"You use what you need of it as you go along. But let me explain it when you come to the bank. I'm going to turn in."



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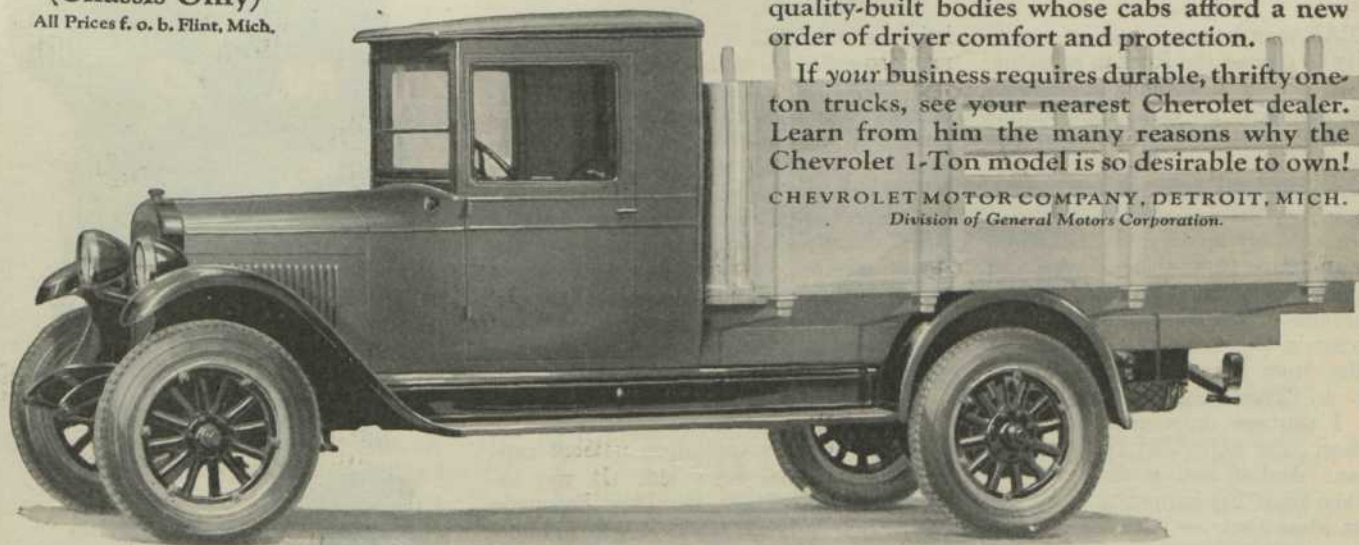
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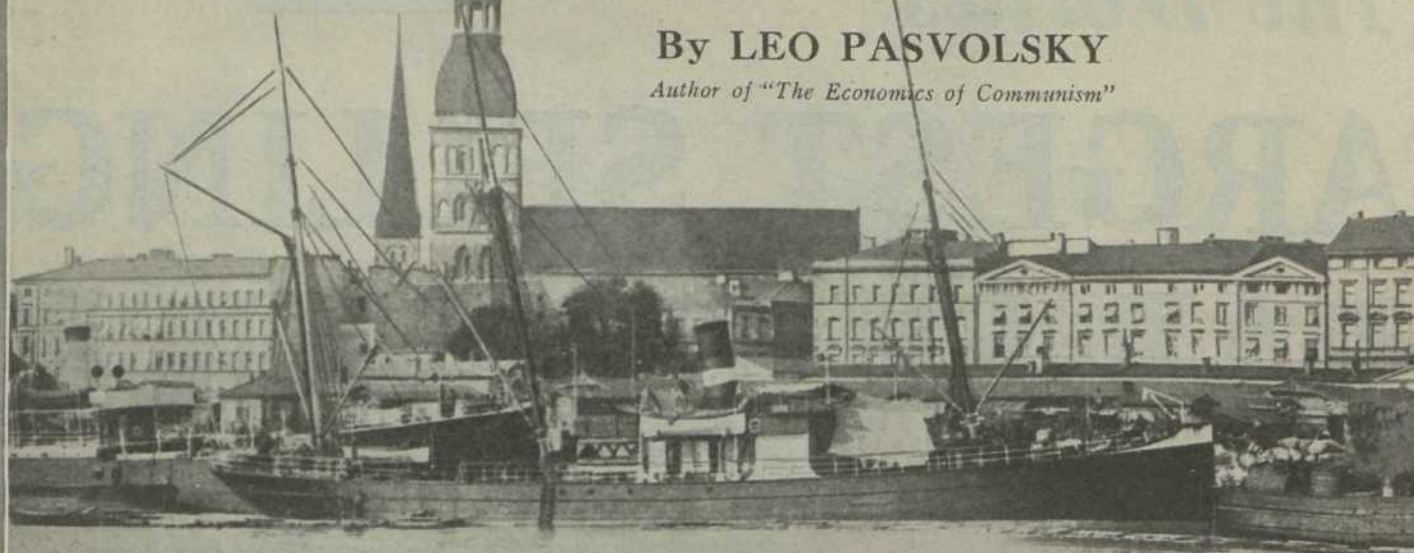
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# No Trade Without Traders

By LEO PASVOLSKY

Author of "The Economics of Communism"



## Russia's "State Capitalism" Learns This Lesson from Experience

SEVERAL months ago I had an opportunity to discuss the Russian economic situation with a prominent Russian economist, who is at the same time an important official in the Soviet financial administration. I asked him to give me a picture of how business is done in Russia at the present time, as the process appears to a man who is not only in the midst of things, but takes an active part in the shaping and the administering of the situation. When he got through telling me, I said:

"But wherein does this system you describe differ from that we have been accustomed to know as the capitalistic system? I can see differences of detail, some of them quite important, but not anything basic. And if that is the way you operate, then what has happened to all the communist ideas that we have heard, and still hear, so much about?"

He answered my questions in the reverse order:

"Of course, there is an enormous distance between our present-day economic activities and the ideas of communist thinkers a generation or two ago. More than that, there is a huge difference between the system under which we are operating today and the system you described in your book five years ago. We are using capital-

istic methods, and we are working under many so-called capitalistic ideas. But there is a difference. We have something that might look like capitalism, but it is not the same kind of capitalism as yours. If you like, it is a capitalism without capitalists."

This designation of the Soviet economic system as "a capitalism without capitalists" struck me as a particularly penetrating one. It not only defines the system itself, but it indicates the limitations of the process by which the system has been created and which must, in the end, lead to profound and far-reaching modifications in it.

### A Change of Policy

THE RUSSIAN capitalism without capitalists is five years old. It was inaugurated in 1921 as the New Economic Policy, popularly known in Russia and outside as the NEP. For over three years prior to that, Lenin and his associates had been waging a relentless war against all the manifestations of the so-called capitalistic system. In the place of that system they made strenuous efforts to create an organization that would conform to their general ideas on how human life should be managed. They did create a semblance of such an organization, but scarcely was the ink dry on the flocks of decrees that were to



transform Russia from a capitalistic to a communist state when they found themselves face to face with such catastrophic decrease in production that they had to call a halt. Hence came Lenin's famous "strategic retreat," as he called the abrupt change from the communist to the new economic policy.

If one were to ask an intelligent and re-





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# S T U D E B A K E R



sponsible communist for the real difference between a capitalistic and a communistic system, he would reply, unhesitatingly, that it lies in the presence or absence of commercial trade, or the exchange of services and goods for money. It was primarily trade that the communists attempted to destroy between 1918 and 1921. It has been chiefly trade that they have found themselves forced to re-create under the NEP.

Thus, while production was the decisive factor which led Lenin and his fellow-communists to their change of heart, trade was the real touchstone of the situation. The question of trade is the key to everything that has happened in Russia in recent years; its position of central and focal importance will appear increasingly clear as we go through the story of Russia's capitalism without capitalists.

#### Utopian Plan Didn't Work

WHEN LENIN and his followers seized power in November, 1917, they had no really definite notion as to how they were going to reorganize the economic life of Russia. The existing economic system appeared to them as an evil one, because under it some have too little, and some too much. They saw the principal cause of this inequality in the existence of private property, under which some individuals own the means of production and consult principally their own desires in the disposition of the output. They saw trade as the instrument whereby this is accomplished, since it provides the method by which goods are sold at a profit. Profit, then, was in their eyes the core of the whole evil, and they set to work, therefore, to do away with profit and with the machinery which makes profit possible.

The communist ideal presupposes that once the limitations and restrictions of the capitalist system are abolished and men and women are left free and untrammelled, each one of them will work to the best of his or her ability at the thing for which he or she is best fitted. It visualizes a condition of human life under which each member of the community will "contribute according to his ability and receive according to his needs." That would be perfect equality, in which there will be no struggle for existence and no exploitation of the many by the

few. There would be no rich to grow richer, and no poor to grow poorer; everybody would be happy and contented; and a paradise would become established on this sinful earth of ours.

Armed with this ideal and with the conviction that the most important initial step toward it is the destruction of the system of trade for profit, the communists went bravely at the task that lay before them. Out of the chaos of the first few months of their regime, they gradually evolved a line of action. They first of all nationalized the banks and declared all trade a government monopoly. They took over whatever means of transportation and communications were not already in the hands of the government. Then they nationalized the industrial enterprises, creating a government organization for the management of industry. Finally, they declared the whole agricultural production of the country, with the exception of what the peasants needed for their own requirements, the property of the government to be delivered to its agencies created for the purpose.

In this manner a system became established under which every person in the country, whatever the occupation he or she might be engaged in, became an employee of the state, which was the owner and manager of all the means of production and distribution. Governmental agencies received the output of the factories and distributed it among the population; other governmental agencies received the output of the farms and likewise distributed it.

#### Failures of Systems

NOT ONLY profits, but also wages, ceased to exist. All that was expected from the general run of people was that they work to the best of their ability, turn over to the government the product of their toil, and receive from the government what the latter thought they ought to have for their needs, comfort and pleasure. Money was thus abolished, and a communistic system of state distribution took the place of the ordinary processes of trade.

This system, while almost perfect on paper, never really worked anywhere near 100 per cent in practice. It ran

into three principal difficulties. In the first place, neither workmen nor peasants produced nearly as much as they had produced before. In the second place, they managed to keep away from the government agencies a certain share of their product. And in the third place, they found ways of trading these products, especially between the cities and the villages.

Trade, driven out of the open, persisted surreptitiously. Its adepts acquired a special name; they were known as the "bag-men," because its principal manifestations consisted in peasants' bringing to the cities bags of foodstuffs to exchange for manufactured articles, or city folk carried various articles to the villages and brought back with them bags of flour or other food.

#### A Government-in-Business Complex

THERE WAS another difficulty that confronted the communist regime. The vast majority of the peasants never accepted the condition under which they were forced to surrender their crops to government agencies. They reduced their plantings to the minimum, and they revolted sporadically when the government sent detachments of troops to collect foodstuffs. So widespread became these sporadic uprisings of the peasants, so small became the amounts of foodstuffs that even troops could collect by force, and so difficult the condition of the industrial centers because of the shortage of food and of raw materials, that in the spring of 1921 Lenin and his associates decided that a radical change was imperative.

Belatedly the communists came to a realization that in their strenuous efforts to destroy capitalism and the capitalists, they also destroyed the productive capital of the country. Under the New Economic Policy they set to work reconstructing the capital of the country. And in their search for a means of reconciling their efforts in this direction with the dogma of theoretical communism, they hit on the idea of calling their new system "State Capitalism," by which they mean a capitalistic system in which the principal means of production are owned and managed by the government.

It is a sort of a hybrid between the capitalistic and communistic systems, partaking of the worst features of each. Under it the workmen find themselves in conditions of even greater oppression than before the communist era, while the productivity of both the factories and the farms is far below what it was formerly or what it is elsewhere in the world. No wonder that the letters NEP have received the following new interpreta-

*Trading on the sly persisted. Townfolk carried various things to the country peasantry and exchanged them for food*







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tion—and the grim jest is quite widespread in Russia; these letters are said to stand really for the words the *New Exploitation of the Proletariat*.

The first thing that the New Economic Policy did was to do away with the so-called system of "requisitions," or the taking away from the peasants of their whole output. Instead, the peasants received the right to retain their products, except for the amount which the government required in the form of taxes. Of the rest they could dispose as they saw fit. But in order to do this the peasants had to have facilities for selling their products; and since their customers are the inhabitants of the cities, the urban population had to be given facilities for buying. The result of this was that industry had to be reorganized on a commercial basis of some sort. All this required the re-introduction of money, of banking, and of trade into Russian life.

#### Monetary Basis Restored

THUS, gradually and by degrees, the NEP brought back to Russia all the instruments and attributes of business intercourse that are known today all over the world. Industrial enterprises were placed on a monetary basis. Still owned by the government and managed by people appointed by the government, each enterprise, or group of enterprises, is on its own responsibility so far as the conduct of its affairs is concerned. Wages are paid to the employees, supplies are purchased in the market, and the products are sold.

Banks have been re-established. Though owned or at least fully controlled by the government, they are run on exactly the same principles as similar institutions were operated in Russia before the revolution; in fact, a former Imperial Assistant Minister of Finance was the organizer and the first managing director of the new Russian State Bank. The machinery of credit provided by these new banks shows no innovations.

The currency system has been reorganized on what amounts to a gold basis. It is administered by the State Bank as the bank of issue, in practically the same manner as the imperial currency was managed.

Trade has come back in all its commercial manifestations. Stores and warehouses have again become an indispensable part of Russia's economic life, and the channels of trade carry from one end of the country to the other all the immense variety of goods that enter into modern business intercourse.

Russia is no longer a country in which every adult is an employe of the state and every child a ward of the government. Compensation for labor is no longer in the form of rations of food and clothes and cafares and theater tickets, but in the form of money, for which all these things can be purchased in proportions conforming to individual tastes rather than government regulations. So much of communism has gone by the board.

In the operation of her business life Russia is almost completely on a capitalistic basis. And yet the Russian economist who characterized the present Russian system as a "capitalism without capitalists" was right when he said that it is a different kind of capitalism from ours. The lines of

demarcation are not, perhaps, very sharp; but they are all too distinct, nevertheless. They consist in the rôle which the Communist State reserves for itself in the conduct of the business affairs of the country.

In the present-day capitalistic system in Russia the government takes the place of the capitalist class. Lenin's admonitions to his followers during the last years of his life were all centered around the exercise of capitalistic functions by the government. He told them to learn all they could from the capitalists of the world about the management of industry, to pay a high price for their learning if necessary, but to learn all they could, and never to relinquish the ownership control to what he termed the "commanding heights" of business life; i.e., the key industries. He told them particularly to learn how commercial trade is carried on, and to keep in their hands the most sensitive and determining branch of modern commerce, the foreign trade. All this to the end that, once having become an efficient manager of production and distribution, the Communist State would finally become what it attempted and failed to become in the years preceding the NEP.

During the past five years the Russian communist regime has operated along these lines. All of the mining and large-scale industry of the country is owned by the government. Transportation is in the hands of the government, and so is the banking and credit machinery. Foreign trade is a government monopoly.

#### Private Ownership of Farms

ON THE other hand, peasants work on the basis of private property. Moreover, private ownership is permitted in the operation of small-scale industry, which constitutes about 15 per cent of the total industrial equipment of Russia. Finally, there are enterprises run by so-called "mixed companies," which are in the nature of corporations in which the government holds half of the stock, while the private owners of the other half act as the managers. Foreign concessions belong largely to this latter class.

Generally speaking, therefore, industry is in the hands of the government, while agriculture is in the hands of private capital. And there is very little private capital competing with the government in industrial production.

But it is quite a different story when it comes to trade. Lenin repeatedly warned his followers that the moment private capital is given any sort of freedom of action, it will direct its efforts toward trade. And he was right. As the owner of industry, the government has little difficulty in keeping in its own hands the bulk of the wholesale trade of the country. But it has failed almost completely in holding its own so far as the retail trade is concerned. Fully four-fifths of the retail turnover of the country is in the hands of private traders. Their profits are at times enormous; and, although the government manages to take away from them large portions of their profits by means of taxes, they nevertheless continue to dominate the commerce of the country.

The fact that private capital looms so large in the domestic trade of Russia has

been the principal ground for all the attacks within the communist ranks directed against the New Economic Policy. And there are constant dissensions among the communists themselves as to whether or not the NEP should be abandoned and pure communism introduced once more. The more or less extreme communists are certain that with private capital strongly entrenched in trade, it is only a question of time before it wrests from the hands of the state the control of industry as well. Then there would be nothing left on which to base any hope for the eventual triumph of communism. But although repeated efforts have been made to drive out the private trader, all these efforts have so far failed. Trade must go on, if the economic life of Russia is not to sink back to the tragic level of the pre-NEP period; this is recognized by all. And no attempts on the part of the state to carry on trade have so far been crowned with any degree of success.

#### Cost of State Operation

ECONOMIC necessity has forced the communists into the recognition of the fact that trade without traders is an impossibility.

The same economic necessity is pushing the more level-headed of them into a realization of the fact that capitalism without capitalists is just as impossible.

There are two principal factors that bring this realization home more and more.

The first is that state-owned and operated industry, even when run without private profit, is so costly and inefficient that it can continue to function at all only by keeping industrial prices absurdly above agricultural prices, or else by making agricultural prices so high that Russia cannot possibly sell her grain in the world market, except at a huge loss.

The second is that capitalism without capitalists fails utterly to accumulate the resources necessary for the repair, renewal and extension of equipment.

#### Automobiles Pass Telephones

AUTOMOBILES outnumber telephones by 4,000 in figures presented by Edward S. Jordan, motor car maker of Cleveland. His argument is not needed for conviction that nowadays it is easy to go a-junketing, and to satisfy the normal craving to see people. "Football game attendance figures have mounted," Mr. Jordan says, "not because people are more interested in football than formerly, but because more people can get there." A compelling thesis is that, with ingenious conclusion, but it seems a little deaf to the 73,000,000 conversations that daily go through our telephones. On that estimate the total for the year would be more than 22,000,000,000—191 for each person. But of course the telephone is an automobile accessory, before and after the fact, and neither of these utilities lacks for proof of indispensability. There is publicity enough for both. They are complementary, rather than competitive. Neighborly greetings the motor car has pleasantly convenience, but on occasion is not the lordly "James" rung up for notice that the captain will "home"?





# For 1927 the most complete line of 4 and 6-cylinder Speed Trucks

THE HARVESTER organization announces a complete line of improved Speed Trucks of six distinct chassis designs to meet every requirement for loads up to  $1\frac{1}{2}$  tons.

Model S is built to carry a  $1\frac{1}{4}$ -ton load. It comes equipped with a 4 or 6-cylinder power plant and with any type of body for hauling and delivery.

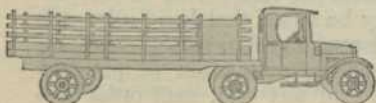
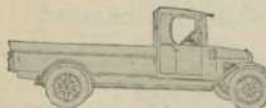
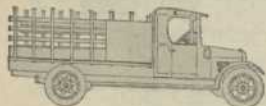
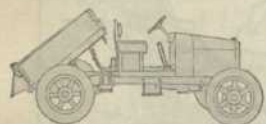
Model SL—safe and low and easy to work with—is a  $1\frac{1}{2}$ -ton chassis with either a 4 or 6-cylinder engine and has a wheelbase of 160 inches. The top of the frame is only 24 inches from the ground.

Model SD is a handy, specially-built  $1\frac{1}{2}$ -ton chassis with a wheelbase of 110 inches, designed for

dump or tractor work. It is ideal for general contracting, road building, and trailer hauling.

Every International Speed Truck is a truck from the ground up—not a rebuilt passenger car. Engine, clutch, transmission, axles, springs, frame, and all the other essentials are the result of 22 years of truck building experience.

Whether your loads run to bulk or weight, whether your business calls for style and distinction or plain utility in its hauling equipment—there is a 4 or 6-cylinder Speed Truck in either a  $1\frac{1}{4}$  or  $1\frac{1}{2}$ -ton chassis made to meet your needs exactly.



For light, quick hauls we suggest our "Special Delivery," a fast and sturdy model for  $\frac{3}{4}$ -ton loads. Any type of body.

The International line also includes Heavy-Duty Trucks up to 5 tons capacity, Motor Coaches, and the McCormick-Deering Industrial Tractor

INTERNATIONAL HARVESTER COMPANY  
OF AMERICA

606 SO. MICHIGAN AVE. (INCORPORATED)

CHICAGO, ILL.

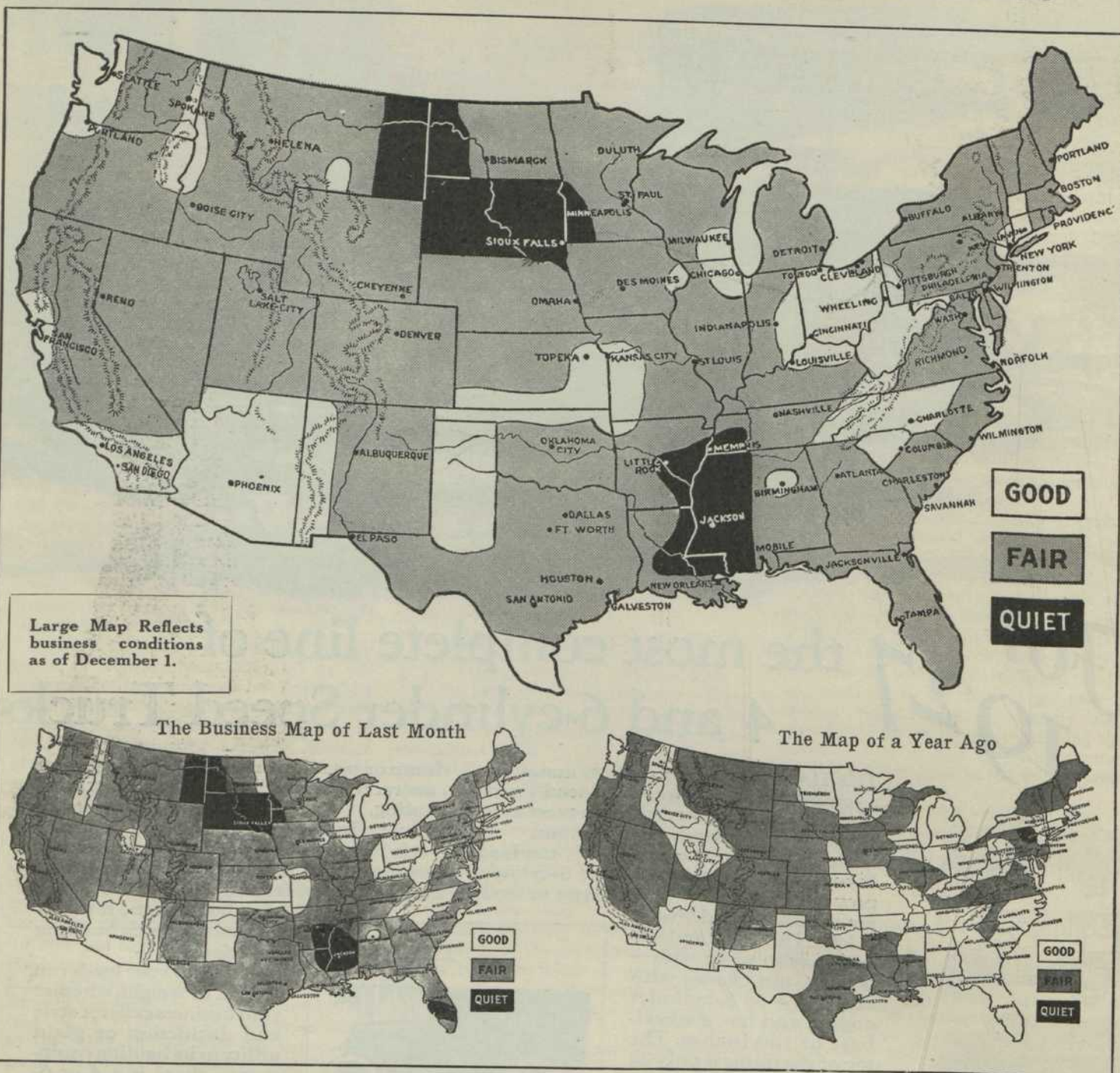
124 Company-owned Branches in the United States

# INTERNATIONAL HARVESTER TRUCKS

When writing for further information regarding INTERNATIONAL TRUCKS please mention Nation's Business



# The Map of the Nation's Business



By FRANK GREENE

Managing Editor, "Bradstreets"

THE NUMBER and variety of happenings in trade, industry and crop development in November render characterization rather difficult, but it may be said that retail trade as a whole improved both as compared with October and with November a year ago. Wholesale trade, on the other hand, seemed to have made up little of the ground apparently lost during October and industry in most lines quieted down as the season of inventory approached.

Even this partial description of retail trade needs to be taken with the reservation that while weather conditions favored final

distribution as compared with October, the renewed weakness in cotton prices, based upon expectations of a further advance in crop estimates which were fulfilled in the second week of December by another marked increase in the estimate of probable crop yields, were a weight upon southern trade although perhaps helpful to cotton manufacturers. Wholesale trade seemed to have passed its zenith, earlier in the autumn this year than last because, aside from reports of increases in orders for cotton goods for later delivery, the trend of reports was that fill-in or small but frequent buying ruled.

Illustrative of the variety of happenings of the month under review it may be said that stock market sales, railway stock quotations, steel production, automobile output, building permits, bank clearings and bank debits all showed decreases either from October or from November, 1925, or both, while bank suspensions showed next to the largest monthly total of the year and business failures and liabilities increased.

On the more favorable side of the account it may be noted that bond sales, silk imports and consumption, cotton consumption and exports, production of pig iron and of hard and soft coal, mail order and



# FOR MEN who want to become independent in the NEXT TEN YEARS



IN the spring of 1937 two men will be sitting in a downtown restaurant.

"I wonder what's going to happen next year," one of them will say. "Business is fine now—but the next few years are going to be hard ones, and we may as well face the facts."

The man across the table will laugh.

"That's just what they said back in 1927," he will answer. "Remember? People were looking ahead apprehensively—and see what happened! Since then there has been the greatest growth in our history—more business done, more fortunes made, than ever before. They've certainly been good years for *me* . . ."

He will lean back in his chair with the easy confidence and poise that are the hallmark of real prosperity.

The older man will sit quiet a moment and then in a tone of infinite pathos:

"I wish I had those ten years back," he will say.

TODAY the interview quoted above is purely imaginary. But be assured of this—it will come true. Right now, at this very hour, the business men of the United States and Canada are dividing themselves into two groups, represented by the two individuals whose words are quoted. A few years from now there will be ten thousand such luncheons and one of the men will say:

*"I have got what I wanted."*

And the other will answer:

*"I wish I had those years back."*

In which class are you putting yourself? The real difference between the

two classes is this—one class of men hope vaguely to be independent *some-time*; the other class have convinced themselves that they can do it within the next few years. Do you believe this? Do you care enough about independence to give us a chance to prove it? Will you invest one single evening in reading a book that has put 250,000 men on the road to more rapid progress?

This book costs you nothing—and for a good reason. It is worth only what you make it worth. It explains how for more than seventeen years it has been the privilege of the Alexander



*"Since then there has been the greatest growth in our history—more business done, more fortunes made, than ever before."*

Hamilton Institute to help men shorten the path to success; to increase their earning power; to make them masters of the larger opportunities in business.

"FORGING AHEAD IN BUSINESS" is a cheerful, helpful book. It is yours for the asking. Send for it. Measure yourself by it. Look clearly, for a few moments, into *your* next few years. Whether or not you will follow the path it points is a matter that you alone must decide.

**Alexander Hamilton Institute**  
Executive Training for Business Men

IN CANADA, address Alexander Hamilton Institute, Limited, C. P. R. Bldg., Toronto



IN ENGLAND, 67 Great Russell St., London  
IN AUSTRALIA, 11c Castlereagh St., Sydney

When writing to ALEXANDER HAMILTON INSTITUTE please mention Nation's Business

ALEXANDER HAMILTON INSTITUTE  
745 Astor Place New York City

Send me the new, revised edition of "Forging Ahead in Business," which I may keep without charge.

Signature \_\_\_\_\_ Please write plainly

Business Address \_\_\_\_\_

Business Position \_\_\_\_\_



chain store sales, car loadings and wholesale price indexes increased.

Modifying the latter two developments it might be said that chief responsibility for the gains in car loadings in late November was the heavy production of soft coal, from which however, the original supporting element, the British coal strike, was withdrawn late in November, with a weakening effect on the prices of that staple, of coke and of pig iron while the advance in the price indexes was mainly due to increases in food prices, a seasonal development as most other groups of commodities inclined to lag.

In enumerating the features having a bearing upon trade and industrial ebb and flow, it might be well to bear in mind that crop and weather irregularities and lower prices than a year ago for most agricultural staples were noted in November as in October. In fact the generally lower trend of farm products not only of cotton but of wheat, corn, potatoes, apples, citrus fruits and grapes was a drawback to best agricultural results and some of these price decreases became subjects of political pulling and hauling as the present session of Congress began.

November Showed Loss

THE MONTH of November, as already stated, showed some loss of activity from October and from November a year ago in the stock market.

This branch of finance was indeed a rather professional affair, with railway averages marked down a trifle whereas industrial stock averages were advanced nearly \$7.00 a share. Bonds, reflecting abundant money supplies, rose to new high levels and were active in a way suggesting distribution. Color was given to this idea by reports that while commercial borrowing had expanded slightly in October, loans on securities had declined.

The price of New York Stock Exchange seats rose to a new high level, \$175,000, despite the apparently smaller business in stocks.

Other financial events of the month were the rather notable strength of French francs. The rise of francs to 4 cents was said to have created a crisis in French trade and industry. A rally in sterling after a season of reaction connected with liberal purchases of wheat and cotton. The formal sale of the Chicago, Milwaukee and St. Paul Railway to the reorganizers, and the U. S. Supreme Court decision that dollar gas legislation in New York State was unconstitutional because confiscatory.

In the industrial situation notable features were the reduction in general steel buying, partly, not entirely offset by better buying of rails and track material, a good deal of inquiry for cars and good buying of

locomotives. Operations were down close to 70 per cent early in December.

One of the outstanding features of the year, attention to which has been called at various times, has been the large number of banks suspending. The great mortality of the year 1924 has been more than equalled in the eleven months of the current year and the liabilities of the suspending banks, some of which have resumed, will possibly equal that record year. The fact seems to be that in the great

tions in prices have come to join the list of those which like automobiles, silk, rayon, and rubber, have been examples for some time of lower prices encouraging buying. The past year has seen the addition of several other commodities which have declined largely in price with correspondingly enlarged buying by consumers. Sugar was one conspicuous example this year of a low price, like faith, moving mountains, woolen goods and tires are others and raw cotton seems likely to be one of the most recent cases of a low price bringing out unsuspected buying demand.

A year in which new high records, either of value or volume, were set up in practically all lines of trade and industry affords a vantage point from which to look back over a wonderful five years of recuperation and repair following the deflation years of 1920 and 1921. Whether the recuperation and repair has been completed, whether in fact deflation has after five years really been finished, is a natural enough question in view of the fact that business, unlike human life, never appears to end, never in fact can end, as long as men's wants persist and grow with the years.

\$3,000,000,000 Owed

REGARDING "deflation" it would seem as if that process can hardly be said to have ended in a year which saw a record number of bank suspensions, the second largest aggregate of failures and fourth largest total of failure loss. Certainly the growth of business must have been large in the five years to obscure, if not to efface from memory, the fact that 100,000 concerns have suspended owing over \$3,000,000,000 to creditors. These totals look large but if it were possible to obtain the real totals of those who quit business or whose business quit them without loss to creditors, owing to the vast changes in recent years in channels of trade and methods of doing business, much larger totals might be rolled up.

Old Problems in New Forms

AFTER two to three full years of careful hand-to-mouth buying resulting in new high records in all lines, the business community still finds itself faced with old problems in new guises, with the feeling that business has travelled far and that some reaction after five years is possible.

But it also finds itself imbued with the confidence, based upon the wonderful results of the past, that the pressing problems of the future will be met and solved by a people grown rich beyond dreams, and grown great because of knowledge of past progress in their great struggle for mental, moral and material achievement and reward.

BUSINESS INDICATORS

Latest month for 1926 compared with same month of 1925; and the average month to date for 1926 and the average month for the years 1925 and 1924 compared with the average month for the year 1923

Average Month, 1923 = 100%

	Latest Month 1926 Compared With Same Month 1925	Average Month 11 Mos. 1926	Average Month 1925	Average Month 1924
<b>Production</b>				
Pig Iron.....	107	98	91	78
Steel Ingots.....	105	110	102	85
Copper (Mine Output U. S.).....	107	118	114	107
Zinc.....	109	119	111	101
Coal (Bituminous).....	114	100	93	86
Petroleum.....	100	101	104	97
Electrical Energy.....	110	130	118	90
Cotton Consumption.....	104	101	99	85
Automobile Production.....	76	118	106	89
Rubber Tires.....	114	140	134	114
Cement—Portland.....	104	121	117	109
<b>Construction</b>				
Contracts Awarded (36 States) Dollars.....	102	153	146	112
Contracts Awarded (36 States) Sq. Ft. ....	87	124	131	103
<b>Labor</b>				
Factory Employment (U. S.).....	99	92	92	91
Factory Payroll (U. S.).....	101	97	95	92
Wages—Per Capita—(N. Y.).....	103	106	104	102
Cost of Living.....	99	104	104	101
<b>Transportation</b>				
Operating Revenues.....	103	101	97	94
Net Operating Income.....	106	126	116	100
Freight Car Loadings.....	109	108	103	98
Net Ton Miles.....	107	104	100	94
<b>Trade—Domestic</b>				
Mail Order House Sales.....	107	127	123	107
Department Store Sales.....	96	100	106	101
Wholesale Trade.....	93	101	101	99
Chain Stores.....	108	123	127	112
<b>Trade—Foreign</b>				
Exports.....	93	111	118	110
Imports.....	101	117	111	95
<b>Finance</b>				
Debits—New York City.....	95	140	131	111
Debits—Outside.....	98	118	114	102
Failures—Number.....	109	115	113	110
Failures—Liabilities.....	91	74	82	101
Stock Prices—20 Industrials.....	100	161	142	105
Stock Prices—20 Railroads.....	112	137	122	105
Shares Traded In.....	63	193	196	119
Bond Prices—40 Bonds.....	103	110	107	103
Bond Sales.....	119	110	124	137
New Securities Issued.....	108	103	101	89
Interest Rates—4-6 mos. Com'l Paper.....	101	85	81	78
<b>Wholesale Prices</b>				
U. S. Bureau of Labor Statistics.....	95	99	103	97
Bradstreet's.....	89	97	104	97
Dun's.....	95	99	104	100
Fisher's.....	95	96	101	94

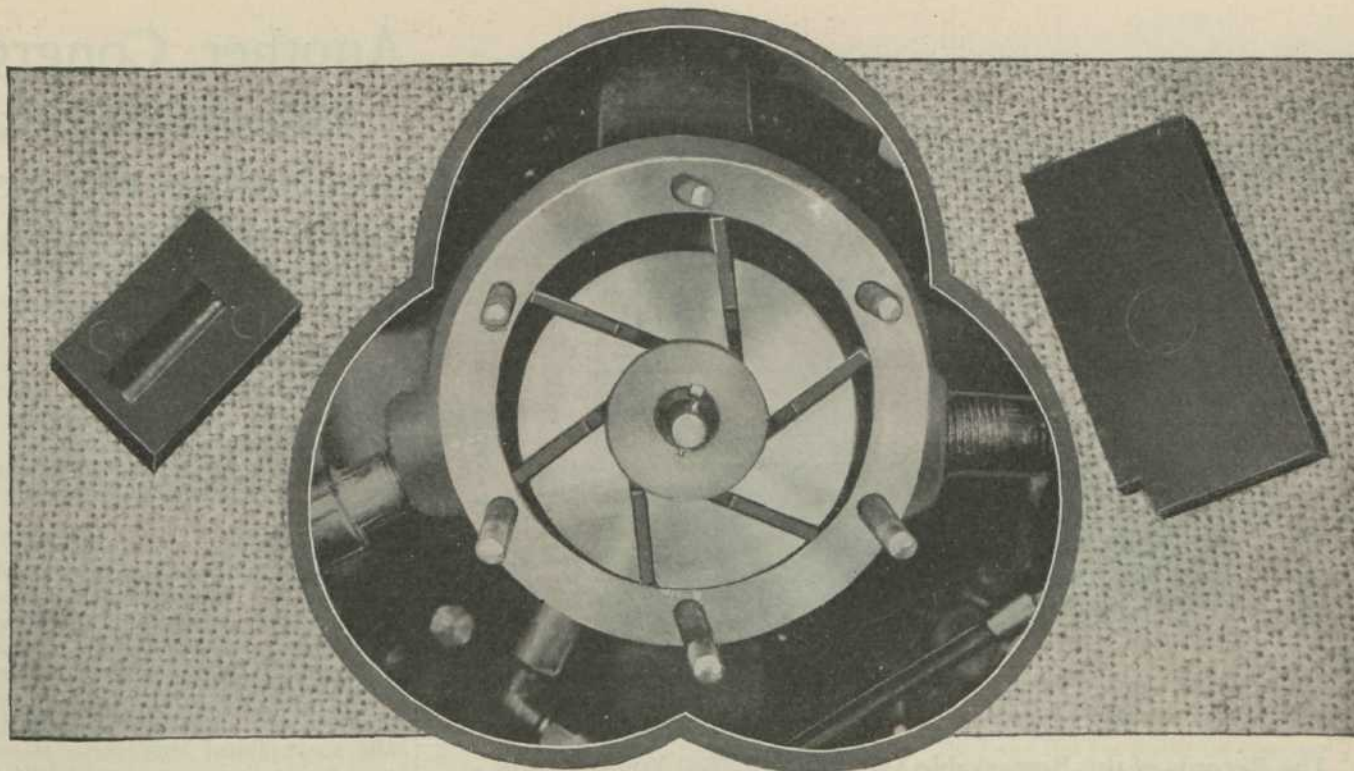
Prepared for NATION'S BUSINESS by General Statistical Department, Western Electric Company, Inc.

revolution in business growing out of the war, the "scrapping" of business houses, banks and other financial and commercial enterprises has rivaled anything in this country's industry in the past.

In the course of the year the trend in prices as a whole as indicated by Price Index Numbers has been downward, the decline in Bradstreet's Index Number having been 11 per cent from a year ago. At several times in the course of the year the remark has been heard that trade was astonishingly good considering the fact that prices were going down, this latter remark apparently based on the theory that buyers do not take kindly to price declines. Some economists, however, speak of falling prices discouraging trading while they concede that fallen prices have the result of encouraging buying.

In the past year several marked reduc-





*Interior of atomizing pump showing Bakelite vanes. Made by Williams Oil-O-Matic Heating Corp., Bloomington, Ill.*

## A troublesome fault corrected by Bakelite

During the operation of the atomizing pump of the Oil-O-Matic Oil Burner, movable vanes slide in and out of sleeves in a rotating shaft and are thrown in contact against the inner surface of a metal cylinder. The steel vanes formerly used cause cylinder wear and resulted in loss of efficiency and noise in operation. Vanes of Bakelite Molded were substituted, worn cylinders became a thing of the past, and quiet operation was assured.

This is but one of many instances where metal-to-metal contact has been avoided through the use of Bakelite, materially lengthening

the life of machinery and improving service.

The many important properties combined in Bakelite—strength, insulation value, resistance to heat, oil, moisture and most chemicals—have made its use the solution of hundreds of manufacturing problems.

Some idea of the scope of Bakelite may be obtained from Booklet No. 42, "Bakelite Molded." A copy will be mailed on request and the cooperation of our engineers and research laboratories is offered to those interested.



### BAKELITE CORPORATION

247 Park Ave., New York, N. Y.

Chicago Office, 636 West 22nd St.

BAKELITE CORPORATION OF CANADA, LTD., 163 Dufferin St., Toronto, Ontario, Can.

# BAKELITE

REGISTERED

U. S. PAT. OFF.



## THE MATERIAL OF A THOUSAND USES

"The registered Trade Mark and Symbol shown above may be used only on products made from materials manufactured by Bakelite Corporation. Under the capital "B" is the numerical sign for infinity, or unlimited quantity. It symbolizes the infinite number of present and future uses of Bakelite Corporation's products."

When writing to BAKELITE CORPORATION please mention Nation's Business



## Another Congress Gets to Work

By WILLARD M. KIPLINGER

CONGRESS may look like a hodge-podge to the average business man who reads news dispatches, but it isn't. There is no need for confusion over the terrific multiplicity of bills introduced, bills reported from committee, bills assigned to calendar positions, bills on everything. Most measures introduced by other than committee chairmen are for effect back home, and are not destined for passage before the short session automatically ends March 4.

Bear in mind it is a conservative Congress—Republicans and Democrats alike—and even the insurgents of the west are more tractable than they have been in other times.

The administration is not driving this session hard, first because it can't, second because it will be fairly well satisfied with little accomplished legislation. It will be lucky to get the appropriation bills safely through. The President's message was mild and cautious, and presented no new problems.

A legislative jam of unusual intensity will develop in the Senate late in February, bringing death to scores of bills caught in it.

One or two appropriation bills will be in the jam. Two or three Senators can block them, threaten their defeat and consequently force a special session of the new Congress after March 4 and before June. Or they can let the bills through at the price of special consideration for their own projects, immediate or future. Agricultural relief is the key. A good guess is that, even if this does not get through, the agriculturists would be content with a promise to call a special session next October, two months before the regular opening in December.

### Taxes

The present course of tax reduction legislation is toward deadlock of the President's temporary reduction plan and the Democrats' proposals for permanent reduction; compromise is possible.

A swing of sentiment toward the President's plan may come after the middle of February, when the March 15 tax-paying date draws near. It is simple of accomplishment, and Congress in a last-minute pinch is given to jumping to a simple solution. A strong minority of Democrats are known to hold favorable views of the plan for temporary scaling down of income taxes. Any compromise probably would include reduction of corporation rates applying next year.

If the tax plans deadlock, the administration will be delighted, and will apply the surplus to debt reduction, which a large non-vocal element of the business community prefers, anyway. It is now coming to be recognized that the President played excellent politics, from the administration standpoint, in setting up his temporary reduction plan to combat the Democrats' permanent reduction plan, opposing a positive plan with a positive plan, winning his point whether or not his plan is accepted. His point is

## EGRY COM-PAK Register

*Safeguards business against human frailties*



**POSITIVE PROFIT PROTECTION**  
When you have to wait while an improperly recorded transaction is clarified, profits are being lost. An EGRY Com-Pak will conserve your time and dollars by giving you every fact you want to know about your business instantly.

The Records of this Remarkable Machine Will Tell You Instantly Any Fact You Want to Know About Your Initial Business Transaction

*The EGRY COM-PAK is a great money maker and money saver for any business. Some of the outstanding things it does for businesses similar to yours are:*

1. Insures accuracy in record-making.
2. Puts every important transaction in writing.
3. Fixes responsibility.
4. Safeguards business against employee carelessness.
5. Prevents incompetency from making inroads on profits.
6. Encourages employee honesty.
7. Provides convenience and creates economy.
8. Eliminates wasted effort.
9. Saves time, money and labor.
10. Puts system into every transaction.
11. Increases profits.
12. Improves service to customers and eliminates disputes.
13. Provides dependable, informative records.
14. Visualizes the detail of all transactions, and provides a check on all employees' activities.
15. Prevents duplication of effort, and replaces guesswork with certainty.
16. One operation takes the place of three, four or more.
17. Produces reliable inventory records.
18. Shows disposition of all merchandise.
19. Simplifies book-keeping.
20. Speeds up the activities of all the departments.



## THE EGRY REGISTER COMPANY

Dayton, Ohio

EGRY REGISTER COMPANY  
(CANADA) Ltd.  
150-152 King Street, West  
Toronto, Ontario

Builders of Register Systems  
for all lines and departments of Business

EGRY LIMITED  
Bush House, Aldwych  
London, W. C.2  
England



NEWS and comment about The Chicago Tribune, zone marketing, advertising, and Chicagoland . . . prepared by the Chicago Tribune Business Survey.

## World's Greatest

### ANOTHER PRESIDENT ON ADVERTISING

*"With public sentiment, nothing can fail; without it, nothing can succeed. Consequently he who molds public sentiment goes deeper than he who enacts statutes or pronounces decisions."*

ABRAHAM LINCOLN

### POETRY AND WHISKERS

SOME day-to-day philosopher remarked that there are no yesterdays in the newspaper business. And added: "And no tomorrows." The city editor cleans the spike on his desk before he starts for home. Today's mail is old stuff when the "dog watch" says good morning to his 8 A. M. relief and good night to the watchman.

But the demise of newspaper effort is not always so sudden. There is a lot of humor and verse in the daily column of Richard Henry Little (officially known as R.H.L.) which refuses sudden death. For years choice bits found only a refuge in readers' scrap books. But now these quips and quirks are published annually in the Line Book (From A Line O' Type Or Two.) Last year 162,000 Tribune readers bought these books in Chicago. This year's Line Book comes out the first week in December. Chicago now associates it with Christmas. The print order is 300,000 copies.

DICK LITTLE is a veteran newspaper writer. The accompanying picture was taken when he was a Japanese prisoner—captured with other

"R. H. L."

war correspondents in the Jap-Russian war. A Jap soldier had charge of the correspondents—about a score of all nationalities. Each day the Jap lined up his prisoners and counted them. After being checked at one end of the line, Dick would duck around in back and get counted again. The Jap, with one too many prisoners, counted the second time, and Dick would slip back to his original position and the Jap would have one too few. Then he called his sergeant, who always found the requisite number and spoke as sergeants sometimes do to their inferiors. Eventually the Jap soldier was removed. It was called a nervous breakdown.



HERE is the largest crowd ever assembled at a football game—more than 110,000 at the ARMY-NAVY battle at Soldier's Field, Chicago. Multiply this crowd by TEN and you'll have some idea of the Sunday Tribune circulation. SEVEN times this crowd is the Daily Tribune circulation.



CAREY ORR, Tribune cartoonist, whose novel of West Point romance is running serially in The Sunday Tribune.

### In Which a 53 Year-Old Company Increases Sales 77 Per Cent With Half a Campaign

AFTER 53 years of business without advertising, The Union Bed and Spring Company (Masterpiece Springs) accepted a plan presented by The Chicago Tribune. A. M. Steele, sales manager, tells the story:

"Between April 4th, the first appearance of our advertising, and October 1st, we secured 380 new accounts in The Tribune Territory. (As most dealers are exclusive in a town, it means the opening up of nearly 380 new towns in the territory.) On the

strength of our campaign, we have gone into Nebraska, Ohio and Missouri and opened up 100 new accounts.

"We have increased the business of our spring department 77 per cent. We believe that by the end of the year it will be greater.

"We have run 328 special sales. Last year our dealers spent less than \$500 advertising

Public Sentiment... Poetry and Whiskers... Experience... Slumber Parties... Growth... Nationalitis Deferred... Mussolini

## Newspaper

our merchandise. So far this year our dealers have spent \$18,942 advertising our lines and hooking up their advertising with our campaign in The Chicago Tribune.

"One dealer reports that, hooking up with our Chicago Tribune advertising, he sold 177 springs. A Quincy dealer sold 75 springs in a week. In Jacksonville, our dealer sold 145 springs in a week. Our Duluth dealer sold 204 spring in a week.

"We are wholly sold on The Tribune. We know we are getting reader interest, although our connection with The Tribune is only 8 months old."

### The Sunday Tribune was the only publication used

The Union Bed and Spring Company use full pages in the Rotogravure Magazine once a month.

If you want further details of this advertising success, write us.

\* \* \*

### GROWTH

"Grow with The Chicago Tribune in 1926," we suggested a year ago. Tribune advertising gain for the first ten months of 1926 was nearly 7,000 columns—greater than the gain of any other Chicago newspaper.

\* \* \*

### NATIONALITIS—Deferred

..... A young electrical engineer persuaded the bankers to let him take over the business, which then was doing an annual volume of \$400,000, says Sales Management.

"When I first took charge of this business," the young engineer remarked, "I saw that we were selling paint over a large territory for such a small concern. My plans were to strengthen our business right here in Kansas City first, then gradually to take up the slack in our sales and distribution in an ever-widening territory. Instead of trying to cover more territory, we concentrated on our home market first."

The annual volume has increased from \$400,000 to \$4,500,000. And the company hasn't yet reached the stage where it can profitably sell in a territory as large as when its volume was \$400,000 and the bankers took over the business.

\* \* \*

W-G-N, The Tribune's Radio Station, can now put another Feather in its Cap. The voice of Mussolini, Europe's Stormy Petrel, was heard in America for the first time on December 14th. The lads at W-G-N asked the Tribune's Rome correspondent to arrange with Il Duce for an exclusive message to the Americans, the Victor people obliged with a record of the talk and W-G-N put it on the air

Pop Toop.



# An Olympic land—immeasurably rich—

ACROSS the last mountain barriers in the extreme northwest of the United States, opening out through the magnificent harbors of Puget Sound to all the markets of the Pacific, lies one of the most wonderfully favored regions of the entire world. Here are some of its potentially great industrial factors:

**POWER.** From its mountains falls one-sixth the water power of the United States. Within 200 miles of Seattle and Tacoma are three hydroelectric projects that make Muscle Shoals look small. 8,650,000 H.P. are available. 660,000 H.P. are actually developed and being utilized.

**COAL.** Already available in adequate quantity, yet enough untouched coal to supply the Nation's present needs for 126 years—an estimated total of 63 billion tons.

**TIMBER.** One-half the remaining timber in the United States! A practically inexhaustible crop. There are 960 billion feet in virgin forests. Of Douglas fir, alone, an unbroken stand stretches along the Coast 350 miles; 100 miles in width.

**MINERALS.** Annual production \$300,000,000 in value, only scratching the resources. Vast deposits of iron, manganese, copper, zinc, silver, lead. And everything needed for well-balanced industry: Plaster, cement, phosphate, talc, asbestos, gypsum, siliceous sand, ceramic clays, oil, sulphur.

**AGRICULTURE.** Farm products with an annual value of \$500,000,000, increasing rapidly. Dairying, chicken-raising, truck gardening, fruit, berry and vegetable growing have already become nationally famous.

**FISH.** Over 70 edible varieties are caught and shipped in various forms to all parts of the world. The catch is considerably more than twice that of the New England Coast, its value totaling \$85,000,000.

**TRANSPORTATION.** Puget Sound is a perfect land-locked harbor of vast proportions. Over seventy ship lines come to the docks of Tacoma and Seattle. The Chicago, Milwaukee & St. Paul Railway brings this region closer to Chicago and the East than any other point on the Pacific Coast.

For three decades this region has grown more than five times faster than the rest of the Nation as a whole. Forty years ago it was virtually a wilderness. Today the Customs rank it third in the United States in commerce; and first on the Pacific. With all the lands of Asia, South America, Africa, Australasia and Alaska offering markets, and all the wealth of the great Northwest supplying its factories and filling its warehouses, this region faces a great destiny.

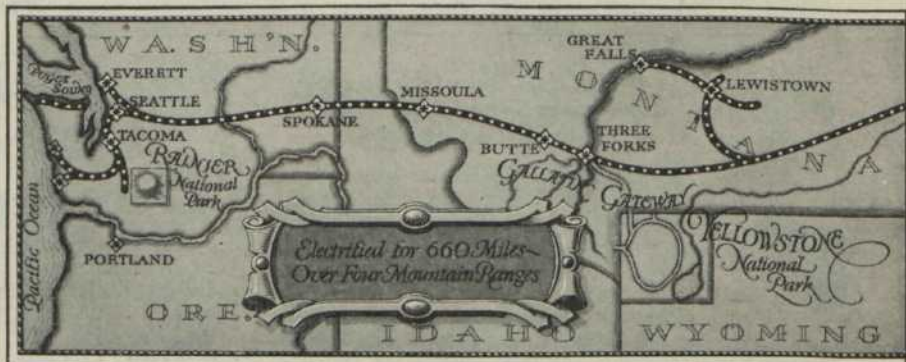
## An Olympian New England

As Boston and New York face the Atlantic, so Tacoma and Seattle look out to the Pacific. But in place of New England's little hills, Olympic Washington rears towering mountains through whose valleys flow great rivers. Mountains clothed in giant primeval forest sweep down to the sea. Rose gardens and orchards bloom within reach of ocean spray; violets blossom in the fields at Christmas-time; and glaciers glisten on the mountain tops throughout the summer! Along clean shores are shining, thriving cities destined to be among the world's greatest metropolises!



SHORTEST AND MOST MODERN  
ROUTE TO THE  
PACIFIC AND FAR EAST

# The



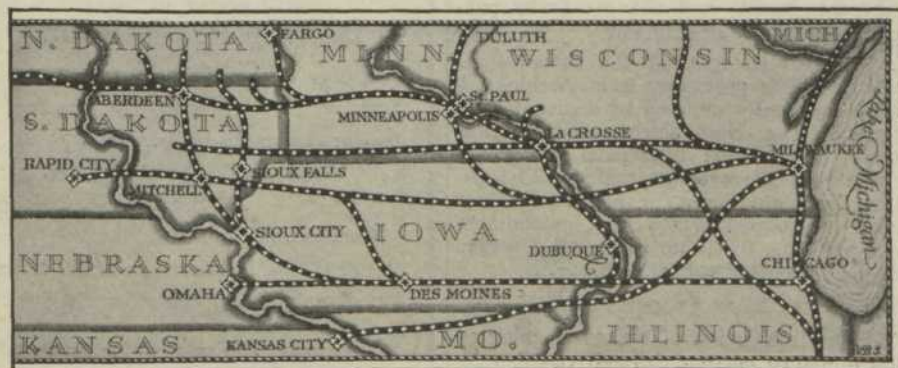
The recognized route between Chicago, Milwaukee and Twin Cities,



*the newest and most beautiful in America*



# MILWAUKEE ROAD



*Kansas City, Omaha, Des Moines, Sioux City, Butte, Spokane, Seattle, Tacoma*

## *How the railroad is opening this mighty region*

Why is it not better known? Because Olympic Washington is our *newest country!* Until railroad transportation was made possible across the mountain barriers blocking the way to the sea, this region was hopelessly isolated.

The Chicago, Milwaukee & St. Paul—pioneer in the great work of opening up the resources of the agricultural Northwest—is most notable in its contribution towards developing the Pacific Northwest. Its vast system—11,000 miles long, reaching every vital part of the Northwest—was linked with the Coast in 1911 by an *electrified line* that is one of the world's greatest achievements in railroad engineering.

Milwaukee passenger cars are now being equipped with *roller bearings*—a revolutionary improvement first adopted by this road.

This railroad is the great artery of a powerful body. It brings new life and energy in the form of machinery, tools, manufactured products, pure-bred stock, high-grade seeds, and people in an endless stream. Pulsing back comes the torrent of raw products upon which the industrial centers of the East are fed. The railroad brings life to the Northwest; and the Northwest gives health and strength to the railroad!

Six hundred and sixty miles of the line from Montana to the sea are electrified. The tremendous obstacles that opposed the construction of a scientifically planned *direct line to the Coast* were turned by modern science into assets. Hydroelectric power, generated in remote valleys, sends the great trains—both passenger and freight—humming across the Belt, the Bitter Root, the Rocky and the Cascade Mountains.

Industrial leaders foresee America facing the Far East. *This road is the shortest, swiftest link with the Orient!*



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Make a check before the region that interests you. We have the closest co-operation with Chambers of Commerce and other business organizations who will supply you with detailed information.

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|---|---|
| <input type="checkbox"/> Puget Sound              | <input type="checkbox"/> Eastern Dakotas        |
| <input type="checkbox"/> Inland Empire            | <input type="checkbox"/> Omaha—The Western Gate |
| <input type="checkbox"/> Industrial Montana       | <input type="checkbox"/> Minneapolis-St. Paul   |
| <input type="checkbox"/> Kansas City              | <input type="checkbox"/> Wisconsin              |
| <input type="checkbox"/> Agricultural Montana     | <input type="checkbox"/> Iowa                   |
| <input type="checkbox"/> Upper Missouri R. Valley |   |

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## Checking Waste?

*Then don't overlook  
your cleaning operations*

**C**HECKING waste in your plant? Waste in time, in labor and materials used? Trying to simplify handling? To cut production costs and improve quality?

Then do not overlook your cleaning operations! For there you can do as much, if not more, in cutting down costly waste, as you can in any other department of your plant. That is, if you are not now using Oakite cleaning materials and methods.

Over 18,000 Oakite users in more than 300 different industries have proved that with these modern cleaning materials they get lower cleaning costs, better results, or profit in some other worth-while way.

We will be pleased to have you tell us about your cleaning problems. Surely we can help you as we have so many others. Ask to have one of our Service Men call; or write for booklets relating to your type of work.

### Ask for these booklets

- No. 879. *Cleaning Waste and Wiping Cloths.*  
881. *Modern Metal Cleaning.*  
997. *Wet Finishing Textiles.*  
1042. *Modern Cutting and Grinding.*  
1053. *Service Stations, Garages, Paint Shops.*  
1130. *Oakite in Institutions.*  
1182. *Cleaning in Dairy Industry.*  
1216. *Automobile, Truck, Tractor, and Airplane Mfrs.*  
1222. *Cleaning in Railroad and Car Shops.*  
1251. *Cleaning in Hotels.*  
1422. *Oakite in Power Plants.*



**Oakite Service Men, cleaning specialists, are located at:**

Albany, Allentown, Pa., \*Atlanta, Ga., Baltimore, \*Boston, Bridgeport, \*Brooklyn, Buffalo, Camden, Charlotte, N. C., \*Chicago, \*Cincinnati, \*Cleveland, \*Columbus, Ohio, \*Dallas, \*Dayton, \*Denver, \*Des Moines, \*Detroit, Erie, Flint, Mich., Fresno, Cal., \*Grand Rapids, Harrisburg, Hartford, \*Indianapolis, Jacksonville, Fla., \*Kansas City, \*Los Angeles, Louisville, Ky., \*Milwaukee, \*Minneapolis, \*Montreal, New York, Newburgh, N. Y., New Haven, New York, \*Oakland, Cal., \*Omaha, Neb., Philadelphia, \*Pittsburgh, Portland, Me., \*Portland, Ore., Providence, Reading, \*Rochester, Rockford, Rock Island, \*San Francisco, Seattle, \*St. Louis, South Bend, Ind., Springfield, Ill., Syracuse, \*Toledo, \*Toronto, \*Tulsa, Okla., Utica, \*Vancouver, B. C., Williamsport, Pa., Worcester.

\*Stocks of Oakite Materials are carried in these cities

# OAKITE

**Industrial Cleaning Materials and Methods**  
OAKITE IS MANUFACTURED BY OAKITE PRODUCTS, INC.  
January OAKITE CHEMICAL CO. 24A Thames St., New York, N. Y.

that this is not the year to put into effect a permanent lower scale of taxes.

### Tariff

No tariff legislation of importance need be expected.

Democrats plan further investigation of the Tariff Commission, however, in an effort to uncover new examples of faulty operation of the flexible tariff, and the cotton hosiery case may become an issue. If a special session is forced, then tariff revision will be in the program, with final action expected some time in the spring of 1928. This possibility provides the principal reason why the administration, with its policy of maintaining the tariff as it is, wants the appropriation bills hurried through to eliminate the special session threat.

### Agriculture

Enactment of McNary-Haugen and allied bills is very doubtful. The President probably would veto any one of them in its present form (this is speculative), and a veto would be sustained. All plans are deadlocked, and the break is not in sight. Ultimately an attack on tariff is probable.

Here are the essential features of rival ideas of legislation: (1) McNary-Haugen, containing the equalization fee, with the addition of a plan for restricting acreage; this has been applied to the cotton situation in several new bills. (2) Direct bounty on exports of surpluses. (3) Government loans to cooperative marketing associations, along the lines of the Fess-Tincher bill which the Senate decisively defeated last year.

Everyone agrees on the surface that something should be done to raise the level of agricultural prices. Few agree on what should be done. The President says to do anything reasonable except put the government into the business of growing or marketing agricultural products, or fix prices by legislation. Schemes (1) and (2), above are construed as "price fixing." Scheme (3) is opposed by the McNary-Haugenites and allied groups because they feel it will take the ground out from under their feet in further fights; it would.

Many members of Congress say privately that they do not know of any federal legislative remedy for disparity of agricultural prices, but that they must support one of the plans suggested above. The pressure is tight, the outcome uncertain. A concerted drive against the protective tariff, maturing a year hence, is one alternative and, in my opinion, a certain one.

### Banking

The McFadden bill, with branch banking provisions and recharter for federal reserve banks, cannot pass the Senate with the Hull amendment, and chances favor passage without this amendment.

A proposal to split off the controversial branch banking provisions is inevitable, and will be vigorously opposed by national bank interests. The Hull amendment has lost ground, due to the impression about the Capitol that it represents preferential legislation for state banks as against national banks. Advocates of the Hull amendment are threatening to tie up the whole question with parliamentary tactics.

### Alien Property

Bill for liquidation of claims is going to have difficulty getting through the Senate, because of differences of view on method of settlement.

It will take \$100,000,000 out of the Treas-



## Health and Efficiency

You know that vitality, energy and efficiency depend upon your health.

It is HEALTH which makes you master of yourself and of any situation.

It is a treasure worth guarding.

For sixteen years we have been studying "The Span of Life"—guarding the health of thousands of business executives and professional men.

Quoting Joseph H. Defrees, Past President of the Chamber of Commerce of the United States in writing of our work to a friend . . .

"I have the very highest opinion of the service which the National Bureau of Analysis gives and believe it to be doing a great public good in the saving of valuable lives."

A few minutes of foresight now may save years of trouble later on. It will pay you to investigate. Write today for full particulars.

### National Bureau of Analysis

H. J. SOULE, President

Dept. N. B. 209 S. State Street  
Chicago, Ill.

### National Bureau of Analysis,

Dept. N. B. Republic Bldg.

209 S. State St. Chicago

Gentleman;

Please send me full Particulars of your Health Protection Service.

Name .....

Address .....



ury to pay certain classes of German and American claimants, under the legislation as drawn, and this is certain to be viewed askance by agricultural senators.

#### Radio

Legislation probably will be enacted providing for radio regulation under the Department of Commerce, together with a board or commission to pass on important policies. Many phases of the question will not be settled at this session.

#### Railroads

The House will pass the permissive railroad consolidation bill, but this may find itself talked to death in the Senate legislative jam of late February.

Chances of the railroad interest bill are not much better than 50-50. The Pullman surcharge probably will not be abolished by legislation.

#### Coal

A bituminous coal strike next April is now generally expected. The President wants authority for conciliation and mediation. This is supported by city consumer interests, and by labor. Action is very doubtful.

#### Waterways

Compromise probably will be reached on the rivers and harbors bill, and the measure passed.

#### Muscle Shoals

Probably will hang over until next year.

#### Shipping

No substantial action is expected, excepting appropriations for the Shipping Board.

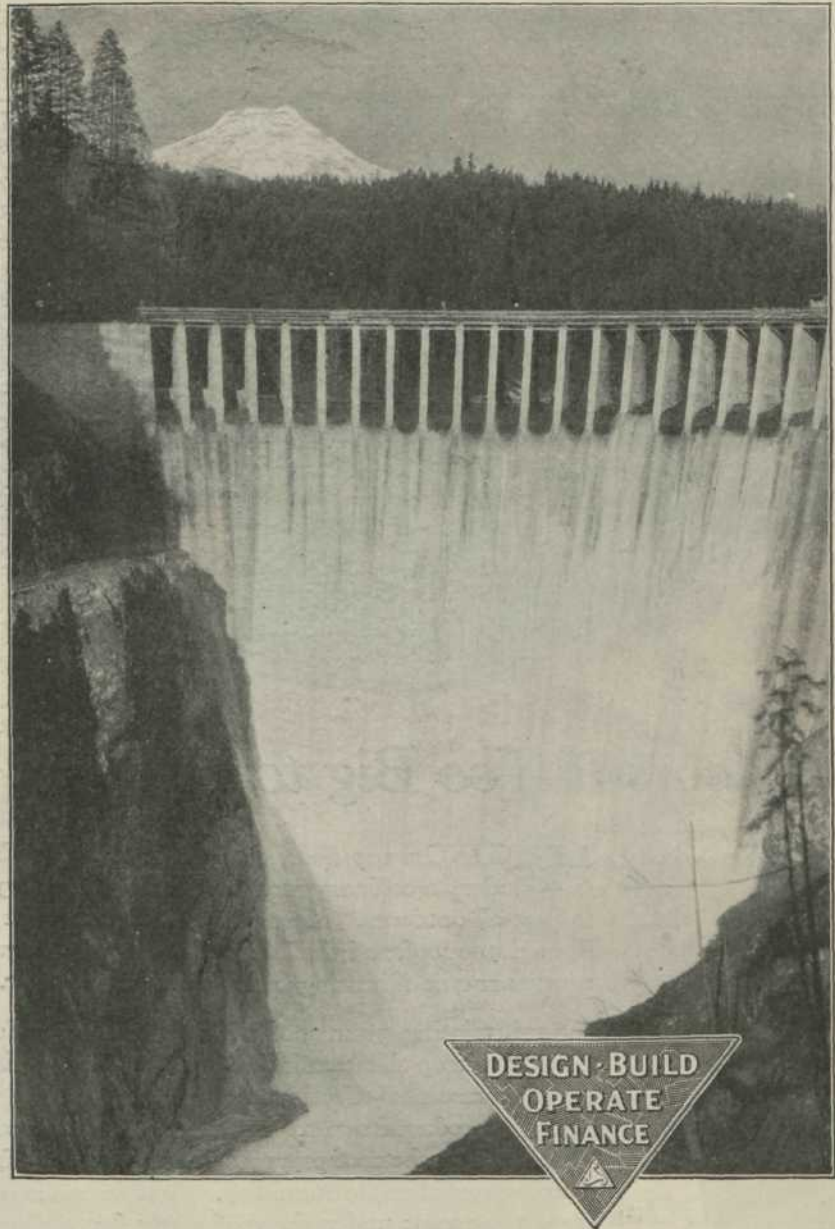
The Shipping Board recommends to the Senate the adoption of a national policy of development and construction, keeping the Government in the shipping business for an indefinite time in the future, as a necessary substitute for general private operation. This is merely another step toward building up favorable sentiment for a stronger merchant marine which will focus into action next year and will have more support than at any time in recent years, due partly to the successful record of Shipping Board vessels in moving grain and cotton crops this year.

#### Postal

Downward revision of second, third and fourth-class rates will become a sharp issue at this session; can pass House, but may have difficulty in Senate.

The Joint Committee on Postal Rates, after protracted hearings for more than a year, finally is ready to recommend "adjustment" of rates which would amount to substantial reductions all along the line. The political pressure for these reductions from newspaper and magazine publishers, direct mail interests, and portions of the mail order business is very great. The opposition comes from within the Government, mainly the Post Office Department, based on the assumption that lower rates will mean lower revenues to increase the postal deficit, which last year was 20 millions. Mail users answer that the lower rates will mean increased service, and that gross revenues will be maintained.

An important pending proposal is to declare a national policy that (1) the Post Office Department shall be conducted "for service, not for profit"; (2) postal wages shall be adequate and just without regard to postal revenues; (3) expenses of government franked matter, preferential rates on scientific



## Recent Water Power Developments

**THIS** is the dam of the new Baker River Plant in the State of Washington. Its height is 250 feet. In the background is Mt. Baker. The plant serves Seattle territory, being one of a number designed and built by Stone & Webster on the Pacific Coast supplying every important seaport there. All parts of the country are represented in the list of recent plants which we have designed and built.

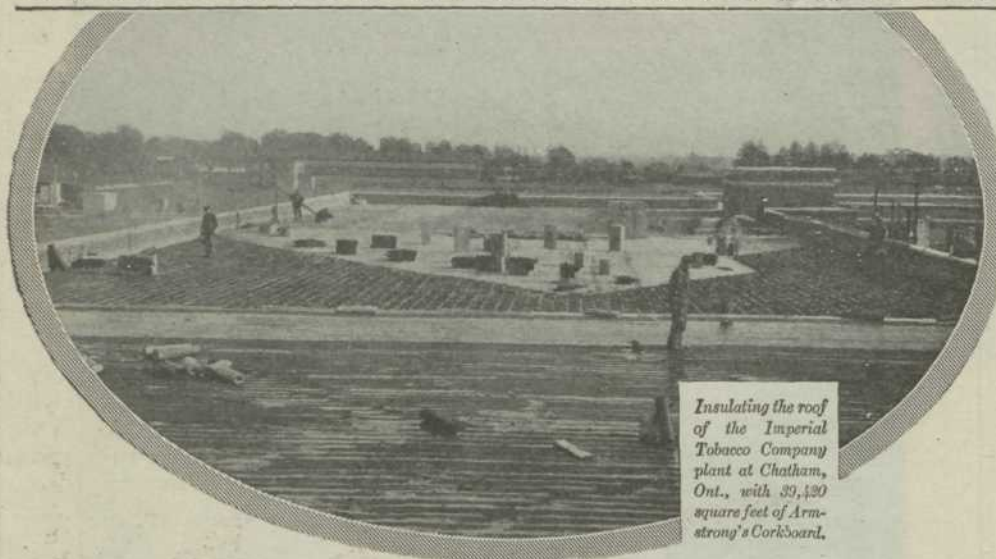
## STONE & WEBSTER INCORPORATED

BOSTON, 147 Milk Street  
NEW YORK, 120 Broadway  
CHICAGO, First National Bank Bldg.

PHILADELPHIA, Real Estate Trust Bldg.  
SAN FRANCISCO, Holbrook Bldg.  
PITTSBURGH, Union Trust Bldg.



## EVERY ROOF NEEDS INSULATION



Insulating the roof of the Imperial Tobacco Company plant at Chatham, Ont., with 39,190 square feet of Armstrong's Corkboard.

## Outdoors is Too Big to Heat

**H**EATING a top floor, or a single-story building, under an ordinary roof is a good deal like trying to heat all outdoors. Most of the heat goes right out through the roof, and the loss is the difference between what your cost of heating *is* and what it *ought to be*.

By insulating your roof with Armstrong's Corkboard you keep this heat inside your building, and not only increase the effectiveness of your heating, but materially reduce its cost. Furthermore, Armstrong's Corkboard on the roof prevents "ceiling sweat" where there is considerable humidity. And in summer it keeps the rooms under the roof many degrees cooler than they would otherwise be.

Armstrong's Corkboard is the most efficient and practicable material made for roof insulation, and is easily applied on any type of roof—wood, concrete, or metal, flat or sloping, new or old. Being nonabsorbent, it does not warp, buckle, swell or shrink. It is fire retardant and will not ignite from sparks or embers, nor will it smolder or carry fire. Standard roofing is applied over Armstrong's Corkboard in the regular way.

### ARMSTRONG CORK & INSULATION COMPANY

(Division of Armstrong Cork Company)

195 Twenty-fourth St., Pittsburgh, Pa. McGill Bldg., Montreal, Que.  
Armstrong Cork Company, Ltd., Sardinia House, Kingsway,  
London, W. C. 2, England

Branches in the Principal Cities of the United States

# Armstrong's Corkboard Insulation

—for the Roofs of All Kinds of Buildings—

When writing to ARMSTRONG CORK & INSULATION COMPANY please mention *Nation's Business*

and religious publications, losses on rural free delivery service, and free-in-county privileges granted local newspapers, shall not be charged against paid postal services, but shall be met out of general Treasury monies.

### Foreign Relations

The Lausanne Treaty with Turkey comes to vote January 5 in the Senate, and probably will be approved. Chances are that nothing further will be done about the World Court this year; the United States is still out of it, awaiting the member nations' acceptance of our reservations, which they are not disposed to accept. The Senate is not likely to vote for withdrawal of adherence. The French debt settlement may come up in the Senate in February, and may not, depending on whether the French Parliament approves it in January. If the French fail to do it, the British government may put on the screws.

### Judges' Salaries

Congress completed legislation December 9 increasing the pay of federal judges.

### Extraordinary, Government Expenditures

Total appropriations for government expenses in the fiscal year 1928, as recommended in the budget, are \$4,014,000,000, which is \$16,000,000 more than for the current year, a relatively small item of difference.

Consider the proposed appropriations outside the scheme of the budget: Agricultural relief, ranging upward and downward from \$250,000,000; German and American war claims, \$100,000,000; waterways, about \$80,000,000; postal expenses which it is proposed to consider as services for the good of the nation, chargeable against the Treasury, about \$60,000,000. These total around \$500,000,000, and do not include many other pending proposals. The surplus in the Treasury at the end of this fiscal year is estimated at \$383,000,000, and the surplus for the next year at \$200,000,000. It is obvious that the nation cannot have all these things and still have taxes reduced.

### Regular Budget

Take a look at the proposed regular budget for the year ending June 30, 1928:

Total, \$4,014,000,000. This includes \$757,000,000 for the postal service, which is mainly self-supporting. Thus the total payable from the Treasury is \$3,256,000,000. (For the current year the comparable total is only 3 million more, suggesting that regular government expenses have reached a stable low.) The biggest single item of expense is interest on the public debt, \$755,000,000 (this year it is \$785,000,000). The next biggest item is \$563,000,000 for reduction of principal of the public debt, about the same amount as this year. The third largest item is \$475,000,000 for the Veterans' Bureau. Fourth is \$366,000,000 for the War Department. Fifth is \$313,000,000 for the Navy Department. (War or defense accounts for the bulk of our expense and our taxes, nearly 2½ billions next year.)

Other sizeable items are: Department of Agriculture, \$144,000,000 (this year it is \$139,000,000); Department of Commerce, \$35,000,000; Department of the Interior, \$285,000,000; Department of Justice, \$26,000,000; Department of Labor, \$8,500,000; State Department, \$12,000,000; Treasury Department, \$170,000,000; Shipping Board, to pay losses on merchant marine, \$12,000,000.

The new Board of Railroad Mediation



Reg. U. S.  
Pat. Off.



Send for these two booklets—free. If your trouble is condensation of moisture on the ceiling, ask specifically for "The Insulation of Roofs to Prevent Condensation." Otherwise, ask for "The Insulation of Roofs with Armstrong's Corkboard."



costs \$390,000. The Board of Tax Appeals costs \$570,000. The Federal Trade Commission costs \$984,000. The Interstate Commerce Commission costs \$6,100,000. The Tariff Commission costs \$682,000. The Federal Power Commission costs \$42,500.

Independent boards and commissions may or may not be desirable in our scheme of government (the President is opposed to them generally), but it must be said on the basis of expense that they do not cost much, in comparison with other government activities.

#### New Members

There are three or four new Senators:

Arthur R. Gould of Maine, Republican; David I. Walsh of Massachusetts, Democrat; and Harry B. Hawes of Missouri, Democrat.

There are four new members in the House.

On partisan affiliations, Congress now lines up this way: House, 247 Republicans, 182 Democrats, 5 minor party members, giving Republicans a working majority of around 60. Senate, 53 Republicans, 42 Democrats. 1 Farmer-Labor, giving Republicans a majority of 11 or 12.

Bear in mind that most new Senators and Congressmen elected last fall do not take office until the beginning of the Seventieth Congress, which comes into being nominally on March 4, but does not meet regularly until December, 1927. It is this new Congress which would meet in case of a special session. The balance of power in it will be very close.

#### President's Message

The President's message to Congress on Dec. 7 contained little new and nothing startling, which is doubtless as he intended. Its dominant note is, "Sit steady, don't rock the boat." Its high points follow:

**Economy**—Practice continued government economy for the sake of prosperity. **Taxes**—Reduce income tax payments of March and June, but make no permanent reductions. **Tariff**—Do not disturb the protective tariff; farmers already have a substantial measure of tariff protection. **Agriculture**—Try to deal with agricultural surpluses soundly and effectively, but avoid putting the government into the business of producing or marketing, and avoid the fixing of prices by legislation; cooperative marketing will aid the ultimate solution of surplus problems. Muscle Shoals is mentioned incidentally, in connection with the farmers' need of cheaper fertilizers.

**Railroads**—Pass railroad consolidation legislation. **Waterways**—Expedite development of waterways, especially the Mississippi and Colorado. **Shipping**—The merchant marine needs more freight rather than more ships; merchants are too indifferent to using American ships. **Coal**—Give the executive authority to mediate in the bituminous coal strike next April. **Banking**—Pass the McFadden bill. **Claims**—Pass legislation for liquidating German and American claims. **Radio**—Give administration of radio regulation to the Department of Commerce, and broad decisions of policy to a board which would meet occasionally.

**Judges**—Raise federal judges' salaries. (This was done.) **Prohibition**—Observe the prohibition law, and tighten its enforcement. **Government regulation**—Don't expect the federal government to remedy abuses which are primarily state or local government problems; government bureaus regulating business should be reduced rather than expanded. **Foreign**—No mention is made of the World Court, French debt or Mexico.

Recommendations concerning the Philippines will be made some time later.

# BUILT OF STEEL

## Made to move easily

without muss or fuss

**H**AUSERMAN Movable Partitions consist of standardized steel units rigidly bolted together—all bolts concealed. You can quickly remove a panel and add an intercommunicating door, put in a transom or wicket . . . or entirely rearrange partition layout overnight . . . gain greater convenience and save time and cost. Hauserman—the only steel partition with these important advantages.

No warping, splitting or burning. Utmost rigidity and strength with a fine, livable appearance excelled by none. Longest life with least upkeep.



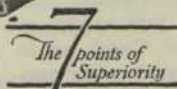
## Look Who Uses Them

The General Electric Company has placed over 125 orders for Hauserman Steel Partitions. The Cadillac Motor Car Company during the past 5 years, has ordered over half a million square feet. The United States Steel Corporation has placed over 50 individual orders; Dodge Brothers, 22 contracts. The Eastman Kodak Company, The American Can Company and The Gillette Safety Razor Company are a few of the companies each of which have at least 10 installations. And numerous installations for other well known companies.

Write for folder—"Greatest Movability in Steel Partitions"

**THE E. F. HAUSERMAN COMPANY**  
Largest Steel Partition Manufacturers

6811 Grant Avenue CLEVELAND, OHIO  
NEW YORK BOSTON PITTSBURGH DETROIT CHICAGO CINCINNATI



1. Complete line
2. Built of Steel
3. Attractive appearance
4. Greatest movability
5. Sensational prices
6. Easily wired
7. Erection service

found in all 7 types  
of Hauserman Partitions

# HAUSERMAN

## MOVABLE STEEL PARTITIONS



# When an Industry Starts to Fight

By MERLE THORPE

THE struggle for business between industries and materials, the new competition as we have come to call it, is not always an unmixed evil to an existing industry which finds a new rival in its field. Concrete may spur brick to seek new markets; oil may threaten coal as a means of heating our homes, but in the end coal may present itself in a cleaner, simpler fashion and win back lost ground.

There's a notable instance in the ice industry. About the most picturesque instance of the new competition that we've had in the last few years has been the rivalry between electric refrigeration and ice. There are about 10 widely advertised brands of electric refrigerators out to force the old-fashioned refrigerator out of the kitchen and to bar the door to the ice man.

## Effective Advertisement

AND the opportunity for good advertising, for keen selling, was doubly good so long as the ice industry was silent, save for an occasional groan. I have just been reading some advertising of an electric refrigerator. It set forth glowingly the advantages—no ice man tracked dirt over the kitchen linoleum; never was there a shortage of ice; food never spoiled. In fact, as I read the advertisement, I grew to feel that eggs grew better as they snuggled up to the refrigerating coils.

No housewife could have read that advertisement—and it was only one of many—without being moved to ask her husband when she, too, could have an electric ice box.

It was easy to picture, then, the new refrigeration as invading every home, as a triumphant instance of the new competition. Was not the old-fashioned ice box doomed to the same fate as the tallow candle and the livery stable?

But the fact is that the ice industry has not succumbed to the new competition. It has sought out not only the weak spots in its enemy's attacks but the weak spots in its own defense.

There has been not a decrease in the consumption of ice, but rather an increase—an increase in the face of a growing use of electric refrigerators, and in the face even of summers with less than normal heat.

And why? Because the ice industry learned the lesson of association, of cooperation, which is the main weapon in meeting the new competition.

The Association of Ice Industries, of which Leslie C. Smith is secretary, has led the ice men to reform their ranks and face the attacks of electric refrigeration.

An industry is exactly what its composite mind makes of it. To understand that mind and its possible reactions to changing conditions, one must know something of what the industry is and how it has evolved—something also of the type of men engaged in it.

The ice business is an industry characteristically American. It originated in the wealth of the natural resources which have made this country the marvel in commercial

advancement. In this case it was natural ice, formed in abundance each winter throughout the northern states, all across the continent.

Early operations were on a small scale and originally intended for personal use entirely. Then the ways in which ice could be used began to open up, and with that expansion came a demand for it from points farther and farther away.

One of the romances of American business was Frederic Tudor's trade in natural ice with the Indies, East and West. Our commerce with India was saved for many years by that daring enterprise. Ice by sailing ship from Boston to Calcutta seems a marvel.

But ice really climbed as an industry about 1870, when the ice machine began to appear. As in other industries, the mechanical process worked a revolution in the refrigerating field. From three plants in 1869, making less than thirty tons of ice per day, the industry today has 6,300 plants with a daily production capacity of nearly 400,000 tons. The investment in the manufacturing field is some \$840,000,000.

In some northern sections natural ice is still extensively used. Perhaps 12,000,000 tons are cut annually. The investment here approximates \$150,000,000. So we have 4,500 companies, operating 7,000 producing units, and having a total investment of about one billion dollars. There is scarcely a village of 500 persons throughout the entire country which does not have ice supply. Last year this country consumed some 62,000,000 tons of ice, of which about one-fourth went to ice the 1,100,000 carloads of perishable goods which we ship every year.

## As It Was in the Old Days

"THE ICE industry, big as it is, was a sort of rough and ready business," said Mr. Smith. "Many of its leaders started on the tail of the wagon. Men who saved a little money branched out for themselves. If they had a good year, they expanded. If they didn't, they stood still or slipped back."

"It was a rule-of-thumb industry. You put your receipts in your pocket and paid out as you went along. The industry knew mighty little about cost accounting. To many men in the industry you might as well have read a chapter of Greek as to have talked about obsolescence or protective reserves or depreciation. The way to build up a business was to get the other fellow's trade."

"Don't," said Mr. Smith, "think that was true of everyone in the industry, but it's a fair picture of the situation as a whole up to a few years ago."

"Not even the introduction of machine-made ice changed it. The manufacturers of ice machinery were ready to finance the man who had saved a little, and it didn't require great capital or a wide business education to start. There was a shifting, of

course. Larger combinations were made, which called for better business and financial minds. Here and there banks found themselves obliged to take a hand."

"But on the whole, it was highly individual business. That was the situation up to eight or ten years ago. War taught the ice industry a lot. Federal supervision by the Food Administration, which seemed at the beginning a fearful bogey, showed the ice industry the value of a united front. A national association was the outcome. State and city organizations followed at the suggestion of the national body."

## New Competition Arrives

THERE is the story of the ice industry when it was called on to face something entirely new. It had outlived the first great competition between natural and manufactured ice. The latter had taken a great majority of the business. Save for a few favored regions the economic battle had been won by the machine product.

The householder didn't ask whether his ice was made in a factory or on the surface of a pond. There might be an occasional mild stir about natural ice being purer or being dirtier or having a better or a worse taste, but they were unimportant. But ice was ice. It came in chunks on an ice man's back or up the dumb waiter.

Then the new competition landed on the ice industry. Ice made in the house—cold coming in by wire. No more ice man. Great sums of money were ready to spend on attractive advertising—on intensive selling. Cold chills ran up the back of the ice industry.

Right here comes one of the most dramatic stories of American industry, and one which helps to prove the contention which this magazine has made that the new competition can be met by organization, by cooperation.

When the small refrigeration machine got busy, the ice industry was in a state approaching panic.

The small machine was not new; but the tremendous selling campaigns were new. The ice man did not even comprehend what they might mean. He was conscious of but one sensation—fear. Some of them wanted to fight; some did so; some pretended to be indifferent. If left to themselves, it is impossible to say what might have resulted. That is where the national association proved its value to the industry.

## Improvement by Competition

A TRADE association cannot run the plant or the delivery system, but it can stand for pure ice and for courteous, prompt and dependable service. It can teach better methods of accounting and encourage elimination of waste. It has no police powers, but it can so openly advocate the things which are right and mutually beneficial that its members will hesitate to depart from them in any contingency. That was the task which Mr. Smith set for the association and the industry.

"Our particular industry," said he, "is





*Government Bureau of Engraving and Printing Washington, D. C. Cooper Hewitt Illumination.*

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NOWHERE in the world will you find genius and craftsmanship more intelligently applied than in the Government Bureau of Engraving and Printing. Nowhere are "tolerances" closer or production more intensive; no employer has more compelling reasons to be careful of his men.

Government bonds, postage stamps and the money you carry in your pocket are, above all, the kind of product which must not fall short of perfection. When it's a question of men, machines or equipment, the Bureau has only one standard—the best.

In 1908—nearly a decade before modern mass production made it a familiar sight in factories—Cooper Hewitt lighting was installed by the Bureau after investigation proved it the best light in the world to work by. For 18 years the cool, clear, eye-friendly rays shining through the windows have made the Bureau a landmark and proclaimed to industry everywhere that Cooper Hewitt's advantages are of the permanent kind.

# COOPER HEWITT

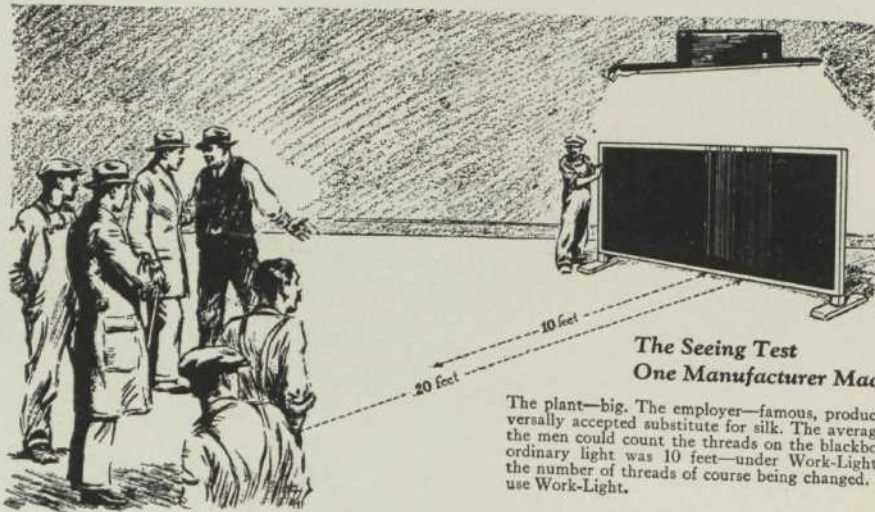
BETTER THAN DAYLIGHT





# Give your workmen this glareless, shadowless, light—and they will give you top speed without fatigue

The useful yellow-green rays predominate in Work-Light. Hot, tiresome red does not appear in its spectrum. The long tube assures ideal diffusion. Low candle-power per square inch does away with glare. Eye-strain is almost impossible.



**The Seeing Test  
One Manufacturer Made**

The plant—big. The employer—famous, producing a universally accepted substitute for silk. The average distance the men could count the threads on the blackboard under ordinary light was 10 feet—under Work-Light, 20 feet, the number of threads of course being changed. They now use Work-Light.

COOPER HEWITT Work-Light has substantiated its ability to improve output by years of intensive use in nearly every industrial field. The growth of Cooper Hewitt has paralleled the adoption of mass production methods.

Only a few minutes thought is needed to make clear the simple, natural reasons why this one light is capable of performance entirely beyond the range of any other light. Excepting only Work-Light, all kinds of illumination, including daylight, possess certain characteristic drawbacks. Only Cooper Hewitt Work-Light differs suffi-

ciently in its make-up to dispose of:

1. Glare—by creating none at its source.
2. Heavy shadows—by using a source long enough to assure ideal diffusion.
3. Brain fag, eye-strain, etc.—because the light is cool, intensity unvarying, glare and deep shadows absent.

Light rays are really light waves, traveling through space like radio waves. It is therefore easy to under-

stand how the eye receives certain wave lengths better than others, just as a radio does. In lighting, different wave lengths mean different colors. Yellow and green, which comprise 90% of Work-Light, are the most useful colors for seeing because they travel on the wave lengths most easily received by the eye.

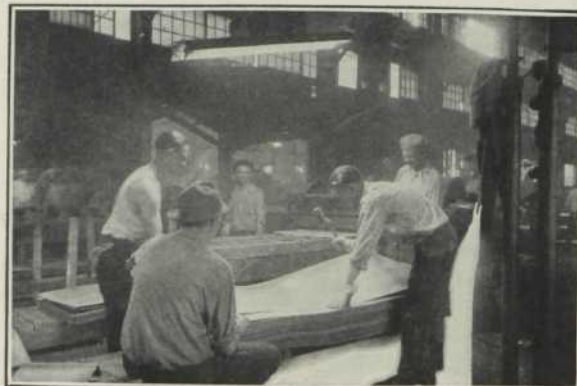
Naturally, eight hours under Work-Light make a big difference in the eye's ability—and willingness—to work. To learn what this would mean to your plant, multiply this advantage by the number of men you employ

or

**Send for trial demonstration**—a convenience we will gladly accord, without obligation. Cooper Hewitt Electric Company, 123 River Street, Hoboken, N. J.

**Glare does not bother these Follansbee workmen**

—Work-Light enables them to inspect a glassy steel surface without the slightest sign of strain. Photo courtesy Follansbee Brothers Company, Toronto, Ohio.



# COOPER HEWITT

BETTER THAN DAYLIGHT





intimately associated with the homes of the country. It is dependent upon public knowledge and good will in exceptional measure. It is the job of the ice man, therefore, to see to it that every home in America knows what ice is, how needful it is and how best to handle it.

"But here is the dramatic thing, and it is absolutely true. The advent of the small mechanical refrigeration unit has done the ice industry a greater service than anything we have been able to accomplish for ourselves in past years. Their campaigns of information upon the necessity of refrigeration in the home have stimulated interest in the use of ice and have given the ice man a chance to tell his own story.

"If they could sell the idea of cold in the home, it was up to us to sell the idea of our kind of cold. The national association has been supplying material for this purpose to thousands of ice companies everywhere. There is no need of direct attack or criticism of new methods. The ice man's own story is sufficient where ice will answer the need.

"The ice man is learning the value of educating the public, also through the stimulus of the competition of the machine. During these past three years the national association has placed almost two million pamphlets as textbooks in more than 18,000 schools and similar agencies, through which people are taught the value of refrigeration in the home.

#### The Field for Expansion

"IT IS not just advertising ice. It goes deeper than that. Not more than 40 per cent of the homes in America have ice boxes. There are 20,000,000 automobiles and 10,500,000 household refrigerators. The field for immediate expansion is twice that now covered.

"The ice man will have to put the same type of effort upon salesmanship in his business as do the promoters of the small machine. He must interest himself in the sale of better refrigerators, ice cream freezers and other things which have a legitimate use for ice. He must be certain that his product has a chance to perform its inherent functions. In just a word, he must come out of the old shell of individualism and play the game as a member of the ice business team. He needs the combined weight of the whole industry. His goal must be a worthy service to all mankind, efficiently and conscientiously performed.

"The industry has not suffered because of the machine. This year has marked the full average increase in ice sales, despite an average daily temperature three degrees below normal the country over, and in face of the tremendous impetus of machine publicity. I repeat, just two factors enter into this: The educational work of both the machine manufacturers and the ice men; and the new realization that the public has a right to know everything there is to be known about the goods it buys. When the ice industry absorbs these truths, it will be prepared to enter upon its greatest era of prosperity."

And there is the story of a competition from without, that instead of killing an industry, made it anew and made it also without the slaughter of the competitor.

## The chairman of the "board" speaks up...



"GEE, the boss has a terrible grouch on these days! (*Line's busy.*) Maybe he's broken his pet driver or somethin'. (*Hold the line, please.*) If he don't quit kicking about the telephone service, I'm going to get me another job. (*Line's busy.*)

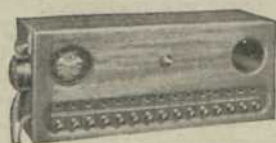
"He says he never can get a connection when he wants it. (*You'll have to wait a minute.*) Of course he can't with the plugs in on inside calls more'n half the time.

"And he says his important calls from outside are held up. (*Hold the line, please.*) Well, that's no mystery either when he ties up his telephone by talking to the different departments every other minute.

"Somebody ought to tell him about the Dictograph. (*Line's busy.*) It sure would take a lot of grief out of my life by taking the inside calls off my board. (*Line's busy.*) Now I can't get time even to powder my nose."

*Maybe she's right. You can find out by writing the Dictograph Products Corporation, 220 West 42nd Street, New York City, or to any of our branches or agencies, in all principal cities, for a demonstration of the*

## DICTOGRAPH SYSTEM OF INTERIOR TELEPHONES



Dictograph  
MASTER STATION

Get your man ...

No waiting ...

No walking ...

.....  
Send me a copy of your booklet, "YOUR BUSINESS AT YOUR FINGER TIPS"

Name.....

Address.....



# Business Views in Review

By WM. BOYD CRAIG



## Let This Booklet

Answer Your Questions  
About

## Mechanical Painting

Does the machine save paint? Does the gun put on a thicker coat than the brush? How long does it take one to learn to operate the machine satisfactorily? These and many other questions are answered in a 12 page booklet we will gladly send you, entitled, "Mechanical Painting for Maintenance." The quickest way to become posted on mechanical painting is to read this booklet. It gives comparative costs of painting brick, stucco, weatherboard, shingle roofs and all kinds of interior surfaces. It gives full information regarding various kinds of materials handled and how to select them. Shows photographs of different equipments and close-ups of various units in their make up. Gives extracts from 14 letters received from prominent manufacturers regarding their experiences. Tells about the Matthews instruction to your men and the service you can expect. Send for this booklet today.

**W.N. MATTHEWS CORPORATION**  
3700 Forest Park Blvd., St. Louis, U.S.A.



**MATTHEWS**  
**MECHANICAL PAINTING**  
**EQUIPMENT**

FIFTY years ago Sir Henry Wickham smuggled the first rubber seeds out of Brazil and took them to Kew Gardens in England. This marked the first step toward the founding of the great rubber plantation industry, now almost entirely under British control.

These seeds, numbering many thousands, were passed by watchful Brazilian customs officials in the guise of rare botanical specimens. They were taken to England in a specially chartered ship, and only a few survived the trip. These were transplanted in Ceylon and Malaya, and constituted the genesis of a gigantic commercial enterprise.

The Empire, which controls rubber with an iron hand, consumes but about ten per cent of her total production herself.

### Our Anxious Rubber Buyers

AMERICAN buyers are anxious about the status of raw rubber. To quote the *India Rubber and Tire Review*:

"Although the British, up to the present writing, have announced the new pivotal prices under which rubber export releases will be governed for the current fiscal year under Restriction which officially began November 1, and although there have emanated from Singapore and Colombo purported 'official' announcements pertinent to the validity of un-utilized export credits after February 1, 1927, the general feeling prevails in the United States that something is being held back and that the British are awaiting the reaction to the first announcement before playing their trump card."

A Colombo dispatch, as carried by the Associated Press, read:

"Official announcement of a new ruling by the British Secretary of State for Colonies regarding unused coupons for rubber exports was made today.

"The validity of export rights of rubber, it was said, would be limited as follows: The certificates of production, commonly known as coupons, issued on and after Feb. 1, 1927, will be invalid on the expiration of three months following the month in respect of which they are issued. The validity of certificates issued prior to Feb. 1, 1927, will not be interfered with.

"The absence of any official announcement, as had been anticipated, regarding cancellation of existing unused coupons and a possible reassessment of the British estates, caused rubber prices to sag. When prices sagged dealers would not sell, believing the depressed condition to be purely temporary. And they were right. The uncertainty as to whether the British were to make any additional announcement caused the market naturally to strengthen considerably.

"On the matter of the new range of pivotal prices—21d and 24d—it is accepted that the new regulations will stabilize conditions.

"The sleeper is that the British have the power to reassess estates and reduce the standard of production at their will."

In the discussion of the report of the Department of Commerce the *Review* has this to say:

"That tires were actually run more miles in the last fiscal year is shown by official gasoline-consumption statistics—10,034,021,000 gallons for 1925-26, compared to 8,617,807,200 gallons for 1924-25, an increase of 16.4 per cent, although gasoline consumption per car declined slightly.

"The total increase in world stocks of

crude rubber is, however, less than the amount saved in the United States, and but for the defensive measures employed here, stocks of rubber would now be lower and the rubber situation even more critical than at this time last year.

"Some criticism was directed at the rubber manufacturers over profits earned during the last half of 1925. It may be said at once that manufacturers must advance prices of products parallel with increased spot prices for rubber, and thus in a rising market the manufacturer who is so fortunate as to have stocks and forward purchases of rubber makes an additional profit from these sources; but in a falling rubber market the exact reverse takes place, and the manufacturer loses equally if not more than these extra profits on the rise. This has been the actual result during the first half of 1926. No one more vitally needs stable prices of raw material than the manufacturer. He is seldom able to pass fluctuating prices wholly on to the consumer."

Barron's sees no signs of immediate relief from British control, in these words:

"The unfortunate part of the situation is that American efforts to develop a rubber supply independent of the British, which gained impetus when the market was at the runaway stage, have now all subsided, and nothing is being done to relieve the situation of impending shortage in 1930. And there seem to be no prospects of synthetic rubber in sight.

### We Might Grow Our Own

IN THESE days when raw materials are generally on the down swing, it is economically unsound that the price of so important a material as rubber should be pegged at an arbitrary figure. Of course, it is hard to make the English plantation shareholder take this view once he has had a taste of 40 per cent dividends. Nor have rubber manufacturers any real cause for complaint when it is within their power to raise the capital and grow their own rubber. The present depressed state of raw cotton, doubtless, would be benefited by some such scheme as the Stevenson Act, but we are such large consumers of the cotton we raise that the situation is not analogous."

### New Uses for Cotton Appear As Industry Looks for Aid

"HELP Save King Cotton!" was the appeal made by the Flour Mills of America, Inc., of Kansas City, in an advertisement appearing in *The Modern Miller*. The use of cotton bags, in place of imported jute is urged by the firm.

The milling company says:

"To encourage the consumption of cotton we will furnish cotton halves at the price of jutes, or credit the difference if cottons are lower than jutes, on all shipping directions received during November, on old or new contracts.

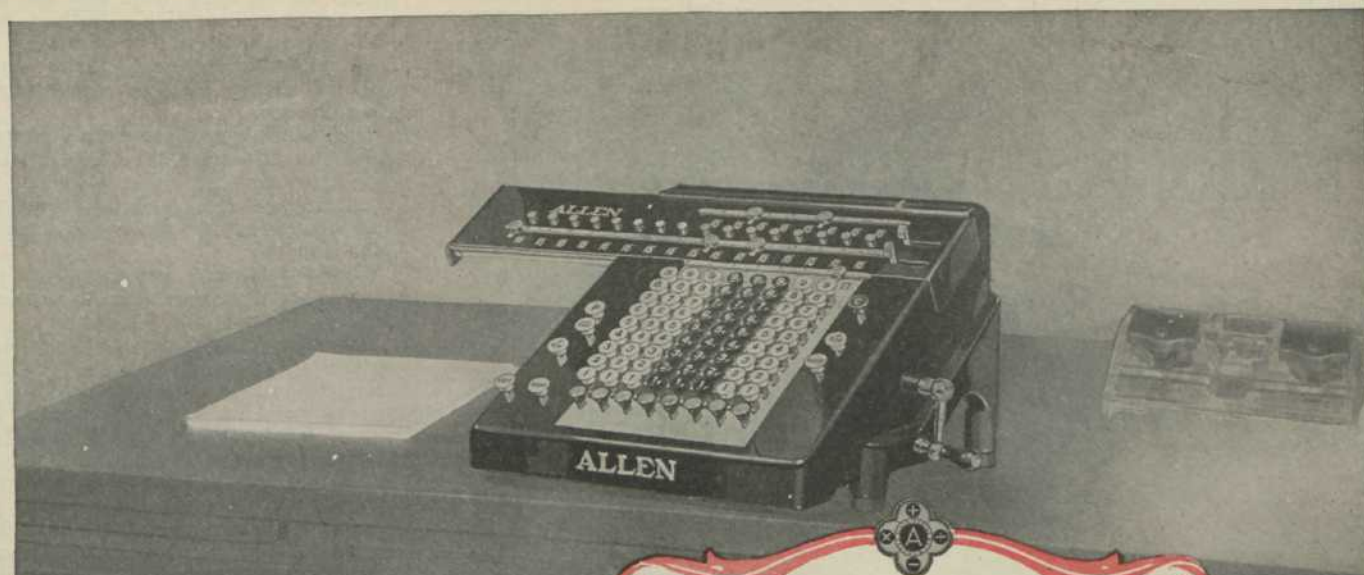
"The greatest industry of the South—cotton—is almost paralyzed by a large carry-over and an immense new crop.

"The stagnation in this industry will hurt every one of us. With the nation-wide co-operation of the bakers we can do a great deal towards preventing this industrial crisis."

*The Modern Miller* says:

"This is a constructive help for cotton and





The designers and manufacturers are men of prominence with long experience in the production and distribution of calculating machines

**T**HE ALLEN CALCULATOR was designed to meet more fully the exacting and growing needs of American business.

It embodies all essentials of other calculators—American and European—providing in addition a dozen notable improvements that materially increase speed, reduce effort and insure accuracy.

And with these important features are combined a sturdiness of build and beauty of line and finish that make the ALLEN the very aristocrat of calculators.

The whole story is concisely told in "Straight Line Results," a booklet, which will be sent to you upon request.

## ALLEN CORPORATION

RALPH C. ALLEN, *President*  
309 South Fifteenth Street  
Philadelphia

# ALLEN CALCULATOR STRAIGHT LINE RESULTS





## —for broader choice

BECAUSE we specialize in good bonds of all types, our offerings always furnish a broader choice—Governments, Municipals, Railroads, Public Utilities, Industrials, Foreigns. A NATIONAL CITY representative will gladly help you make a suitable selection. Lists of current offerings may be obtained from our office in your section.

Call or write.

## The National City Company

National City Bank Building, New York

OFFICES IN 50 AMERICAN CITIES INTERCONNECTED BY 11,000 MILES OF PRIVATE WIRES. INTERNATIONAL BRANCHES AND CONNECTIONS.



In Selecting  
**YOUR MEMORIAL  
TO A LOVED ONE**  
you can provide  
no tribute more  
appropriate, more  
inspiring than  
**Golden-Voiced  
Deagan  
Tower Chimes**

Deagan Chimes—played by organist  
from electric keyboard.

Installed in the belfry of your Church, Deagan Chimes symbolize the memorial spirit in its deepest and most beautiful sense. Their rich, mellow tones, sending forth the familiar strains of sacred old hymns, become a daily inspiration to reverence . . . a priceless community asset . . . an enduring monument to the loved one whose memory they perpetuate.

Standard Sets \$6,000 and up.  
Complete descriptive literature on request.

**J. C. Deagan, Inc.**  
EST. 1860

272 Deagan Building, Chicago, Ill.

is only one of many ways that will develop to enlarge consumption. With a crop of 17,454,000 bales it will be necessary to enlarge domestic consumption and low price will undoubtedly be a telling factor in creating demand.

"The South is going to get a big return for the crop. Of course, for 17,454,000 bales it costs more to pick, and for freight, than a small crop, so it is doubtful at the present time whether returns will equal a more moderate crop."

*Chemical Markets* sees the effects of such a campaign of advertising in two cases which came to its attention. To quote:

"The chemical industry is aiding the cotton farmers in still another way in addition to using cotton linters and cottonseed oil as raw materials and increasing their yields by improved fertilizers and insecticides. International Salt Company and A. E. Staley Manufacturing Company, as well as other factors in the chemical trade are planning to use cotton bags rather than jute bags in making shipments. As cotton bags cost more than jute bags, these manufacturers are willing to absorb the difference in price in order to aid the textile industry. Here is a commendable example of industrial cooperation."

*Textile World* has this to say of cotton growers:

"This season's record-breaking production has been grown on a record-breaking acreage, but some of our previous largest domestic crops have been grown upon relatively small acreage. It is a truism that every attempt arbitrarily to reduce acreage is an incentive to greater care by individual growers of seed selection, cultivation and handling of the crop."

### A View of Diversification

*COMMERCIAL and Financial Chronicle* raises a pertinent question in the argument for crop diversification. It says:

"A symposium on this subject in *The Country Gentleman* discusses not so much the expediency as the feasibility of this proposal in behalf of the farmer. A single crop may be limited, but should it be? Is price, high or low, the direct incentive to the growing of any one crop? Why do we have a corn belt and a cotton belt, or a citrus fruit belt? Is it not because soil and climate are in these sections especially adapted to the growing of the one crop selected? Nature, not man, is the dictator. Other crops may or may not be grown in the section, but not so advantageously. Corn may be grown instead of cotton, but not the reverse. Yet corn does not produce as well in the soil and climate as cotton. Nature, therefore, places the first limitation on all primal crops. And if man in the face of nature's law chooses to limit the growing of his best and first ordained crop he disdains his bounty.

"This is not to say he should be a one-crop farmer. As we have often suggested, the farm is the unit of production. Here alone, as to utilizing the bounties of nature, man is supreme. He works within the walls and laws of nature. Yet so great is his bounty that he is not bound by an iron rule to one crop. His farm, in any section, if it be but forty acres, will grow several kinds of produce. It may be, owing to conditions, as remote even as the influence of world markets, that he individually chooses to forgo his major crop; or it may be expedient that he utilize the various powers of his soil and climate to diversify his acreage; but speaking of classes and sections, the American farmers as a body undertake to limit the acreage of their best crop at their peril. It is not wise to try to grow figs from thistles, because the price of thistles is too low. To rush from one failure to another is folly. Farmers cannot



discard the help of nature and rely wholly on self-help of any kind.

"At best, then, as a general principle, only a partial limitation of any one crop is possible. We do not regard it as feasible, either by cooperative agreement or by legislative enactment. The latter is abhorrent to liberty. The farmer is subject to the vicissitudes of life, to the possibilities and even probabilities of personal disregard, and to the larger control of nature. And it is clearly not expedient in the light of the world's needs. We boast as a people of our agricultural self-sufficiency. We can grow all we need for our own consumption. Our interior valleys constitute one of the richest empires of the globe, capable of sustaining several times our present population. We agree that world surpluses control price. But of what avail to control alone our own surplus without control by agreement the surpluses of other states and domains. Voluntarily to lessen our own surplus in the face of scarcity abroad is certain to lessen income. Why take the chance?

#### Some Cannot Feed Themselves

"AND even supposing full production the world around, of any one crop, or of all crops for that matter, are there not countries that cannot feed their own peoples, are there not growing consuming peoples and cities, are there not varying trade conditions controlling prosperity and purchasing exchange values, that render it wholly inexpedient for any one people, or territorial domain, to limit acreage of crops? Let it be known that to limit is always to lessen. An overplus one year suggests a limitation of acreage—scarcity due to failure does no such thing. Low price due to surplus is the sole motive. It is never proposed to limit in view of increasing need, larger markets, greater demands. Yet one is as expedient as the other. Less acreage when it is impossible to foresee the fullness of the world's need, or the inevitable failures that come some time elsewhere, seems an invitation to forgo possible profits.

"Are there not certain natural limitations that may be left to time and changing demand? Take the profits during the last twenty-five years from poultry raising and dairying. Congested cities more and more consume these products. Prices have risen in this period 200 or 300 per cent. Collection and distribution have been systematized. The well-to-do farmer with large acreage no longer looks upon this source of income with contempt. Demand is met by supply. The change is gradual, the limitation (here it is expansion and increase) is natural. The will of the individual owner, social and economic conditions, the restrictions of nature, the lure of profits in new ventures, the possibilities of the farm unit, all these work a natural control, limit in each direction according to demand, and work no hardship to anyone save as lack of judgment in any business works ill.

"It is averred that manufacture controls its output according to demand. This is not wholly true. But supply here is more a fixed quantity than in agriculture. Manufacture is subject to a willful change of fashions. Old goods, while they do not deteriorate in quality perhaps, will not sell. And fashions at least are determined in advance. Agriculture is subject to shortages caused by unseasonable weather. This cannot be foretold to any appreciable degree. Yet all the crops in all places do not fail at the same time. Food is more fundamental than clothes. The old coat may be turned and worn again. Demand for food is a certainty every year to the extent of supporting life. Agriculture and manufacture are not in the same boat. They



## This is Mr. White

YOU may not know this man, but hundreds of New York City business men do.

They have jammed Mr. White's busy hours full, because his advice and help in simplifying office practice is worth having.

You will find a Baker-Vawter man in your city. He is capable of helping you improve your simple or complex office methods.

This service costs you nothing; but when hitched to Printed Forms, Binders, Steel Filing Equipment which you do pay for;—it makes the combination worth more to you than any price quoted by anybody on commodities alone.

A letter to us, Benton Harbor, Mich., or a phone call to your local Baker-Vawter man may be the means of getting the very kind of help that possibly you have wanted, but never knew where to find.

**NINETEEN** years ago a young seed firm in New York City decided that as they grew, their office records must be kept along modern lines.

*They called Mr. White, and took the first step that he recommended, installing a modern order system. From year to year they have followed the advice of Mr. White. All their office equipment and systems are "100% Baker-Vawter."*

*They have grown tremendously. They own their own building. They have a branch in Paris, and today are one of the largest organizations in the industry.*

*They handle all of the increased business, which requires much detail, with a very small office force, due to the many Baker-Vawter labor-saving systems, and they have come to feel that Baker-Vawter is the big brother to whom they can turn for advice and help.*

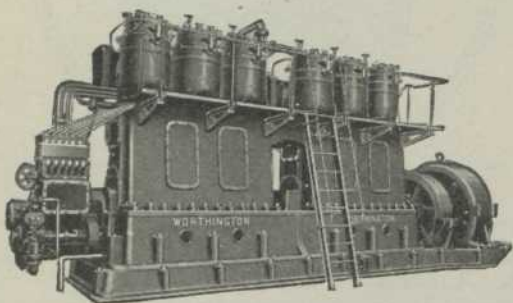


# WORTHINGTON



PUMPS, COMPRESSORS, CONDENSERS, OIL AND GAS ENGINES  
FEEDWATER HEATERS, OIL AND WATER METERS

Worthington-Diesel vertical single-acting two-cycle solid-injection type engines are built in powers from 50 to 540-hp. All but the largest sizes can be shipped from stock. Double-acting air-injection types built up to 12,000-hp. units.



## What do you pay for fuel?

**C**HEAP fuel is a primary requisite to cheap power. For each B. t. u. of heat content a Worthington Diesel Oil Engine will deliver from two and a half to three times as much energy as a steam plant of the same rating.

On part load there is only a slight decrease in efficiency due chiefly to mechanical friction. When shut down, fuel costs stop.

Small and moderate size power plants having little or no need for exhaust steam have found the Diesel Oil Engine the ideal prime mover. Other plants having greater need for exhaust steam have found it a paying investment to carry part of the load on a Diesel. Large central stations have found the Diesel Oil Engine excellent for peak-load service, stand-by service and, in cases, cheaper than transmitting power to small remote localities.

Worthington has been building and installing Diesel engines for many years. We would be glad to help you compare the present cost of producing power in your plant with the cost of power produced by Diesel engines.

cannot change places. They cannot work by the same rules. Each has its peculiar risk.

"In our great mid-West there have been heavy rains, causing some damage to standing crops. But the fall grass is heavy and late. And just as the overflow of the Nile enriched the soil though it swept away harvests, so nature somehow always compensates. And when all laws are passed and all agreements signed, and all credits bestowed, there will still be nature, to restrict, to guide, to control, her child-man, and to preserve him in his toil, giving bounties indefinable for all her seeming wrath. And it is not unfeeling to say that here must the farmer, and all life, put primal and final trust. Let us as a people study this plan of limitation in all its phases before putting it before nature — chastening sometimes, but always kindly and bountiful."

### Liquid Motor Fuel From Coal Causes Stir Among the Ranks

**W**HERE is applied science, and chemistry in particular, doing its most important work? The clothing men say that cellulose research is of greatest importance to the nation. Coal men think the by-products of their staple will add most to the general good.

A spokesman for the latter group, *Coal Age*, speaks:

"Perhaps the last general stage in the development of coal mining has been reached. The mining engineer, fifty years ago, had only meager equipment. He was blissfully ignorant of anything but mining. Then came a large mechanical development and a meager introduction of electricity. The master mechanic was added to the mine staff in recognition of the new need. But electricity fast became a study of greater complexity, with the result that the mining staff became inadequate, and electrical engineers to install and maintain this equipment were added.

#### New Experts on the Payroll

**A**FEW more years and the science of business advanced. The mine management had to keep pace with the progress of accounting. Industrial relations also introduced elements into the work of the executive he had not before considered, and a new class of experts was added to the payroll.

"Now the industry is slowly becoming conscious of a chemical development that taxes its mental equipment much as the other changes have done. It seems likely when coal processing becomes adopted as a part of the industry the family of mine experts will have to set seats at the official table for a chemist and a chemical engineer if not for several of them. Mining executives will be busy at nights refurbishing their too-often meager chemical knowledge to meet the new requirements, for if they do not actually qualify as experts in organic chemistry they must at least be able to understand what those who are experts are advocating and to make decisions based on their recommendations and the facts they present.

"The recent International Conference on Bituminous Coal, while free from undue elaboration, or because it was free from that characteristic of most chemical discussions, will afford the coal producer an insight into what is coming.

"Who knows what the future will show? The presentations made by the foreign delegates with the exception of Dr. Gill were not detailed enough to permit of a careful evaluation of the profits to be derived from their installations. Nevertheless it is well known that the manufacture of methyl alcohol from gas has been so successful as to drive almost out of the market the American manufac-



turers who have been deriving that product from wood carbonization.

"Coal men will do well to look into the possibilities of the new processes which promise so much for the development of the industry. They are already in a few cases striving to adapt these changes to their advantage.

"It has been clearly shown that the fertilizer industry is one which is more likely to use coal than water power. As the freight rate of fertilizer makes its transportation expensive, it is likely that it can and will be made before long, not only in the neighborhood of large steel works, but at centers in the various coal fields, from which it can be readily transported to the farms. As intensive farming increases and reliance is put on fertilizer and as the cost of producing fertilizer decreases with better technique, making its use more inviting to the farmer, it is likely that more sulphate of ammonia will be demanded.

"Modern living conditions demand smokeless coal. Some one will provide it, and who is more likely to do so successfully than the coal producer, whether at the mine or nearer the market? For the coal industry the International Conference just concluded has great significance."

Commerce and Finance is interested in the possibilities of a motor fuel from coal, as discussed at the Pittsburgh Conference. It says:

"Dr. Arthur A. Hamerschlag, president of the Research Corporation of America, says of the newer methods of treating coal:

"This new type of service means a similar evolution to the concentration of small individual power plants through the great central power stations, which already has taken place in the electrical industry.

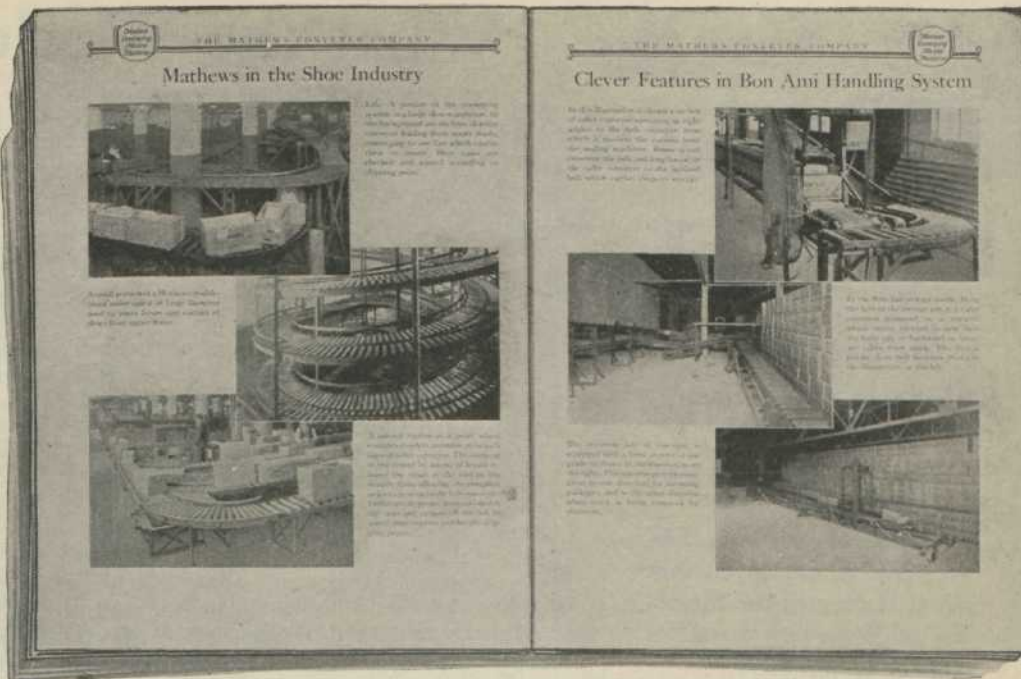
"A similar evolution will take place in connection with heating and fuel. Householders, apartments, hotels, factories and locomotives are now consuming fuel in a wasteful and costly manner. In the not very distant future they will probably get most of their fuel through high-pressure gas mains. The new public utility will use these pipe lines with high-pressure gas and greatly increase their capacity to make available heating gas, the thermal efficiency of which is adequate although it has been stripped of its by-products."

"Dr. Frederick C. R. Bergius of Heidelberg, discoverer of the Bergius process of transforming coal into oil, reported that after the expenditure of millions of dollars and twelve years' research work the process of liquefaction of coal by adding hydrogen under great pressure had at last proved economical, and large plants are now being erected to carry on the process in Germany.

"One ton of bituminous coal, said Dr. Bergius, will yield an average of 140 gallons of oil. Deducting the coal consumed in the process, the net yield is 104 gallons of oil per ton of coal, and of this, 45 gallons consist of gasoline; the remainder is gas oil, lubricating oil and fuel oil.

"General Georges E. Patart, who was in charge of the manufacture of munitions in France during the World War, described his work in building up alcohol from coal, which he said would compete with gasoline as motor fuel.

"In a 1,000-kilometer run conducted by the Automobile Club, of France, wrote M. Dumanois, the synthetic alcohol showed a saving of 15 per cent in calories over gasoline, and the temperature of water in the radiator was considerably lower than in the case of gasoline. Grades were climbed with the throttle wide open without the least bit of knocking, the motor giving the impression of a steam engine."



Two pages from the Mathews book "Bearing the Burden of Industry." Besides numerous installation views like the above, it contains much valuable engineering data on various types of conveyers. This 120-page book will be furnished free to responsible executives.

## Of Course You Use Conveyers

OUR claim to your consideration is that we make the highest grade of equipment obtainable and back it up with a very real engineering service.

Mathews Conveyor Systems are in such wide use throughout the industrial world that there is hardly a condition with which we are not familiar in this sphere of transportation.

At your service is the Mathews District Engineer waiting to make, without obligation, a complete survey of your plant followed by a recommendation for change or addition in your present equipment should economy so direct.

Please mail the coupon.

**MATHEWS CONVEYER COMPANY**  
148 Tenth Street, ELLWOOD CITY, PA.

New York, Boston, Philadelphia, Buffalo, Pittsburgh, Cleveland, Detroit, Chicago, Atlanta, Anderson, S. C., New Orleans, Milwaukee, Minneapolis, St. Louis, Omaha, Denver, Salt Lake City, Los Angeles, San Francisco, Seattle. Canadian Factory: Port Hope, Ont.

# MATHEWS

## Conveyer Systems

Increase Plant Profits

MATHEWS CONVEYER COMPANY

148 Tenth St., Ellwood City, Pa.

- ☐ Please send your book showing how Mathews serves industry in general.
- ☐ Please have your district engineer call to make a survey of our plant

Name \_\_\_\_\_

Address \_\_\_\_\_

NB 1-27



## Did You Know *This* About HOCKENBURY?

That during 1926, 26 additional modern hotels were provided for under-hoteled towns and cities through Hockenbury service?

That they ranged from 35 rooms to 200 rooms?

That they cost from \$114,000 to \$1,150,000?

That the Hockenbury Service can be employed with equal success in the financing of a modern hotel for YOUR community?

THE FINANCIALIST, a journal of community hotel finance, may aid you materially in bettering your city's hotel facilities. It's sent gratis to those who ask that their names be placed on our complimentary list, "N-1."

**The HOCKENBURY SYSTEM Inc.**  
HARRISBURG, PENNSYLVANIA

## OLD COINS

Rare coin book, 50c. Send \$2.00 for old U.S. coins. The collection includes 1/2c., large cent, 2c. piece, 3c. piece silver, 3c. piece nickel, half dime silver, 10c., 25c. and 50c. pieces early date  
Gutttag Bros., 16 Exchange Place, N.Y.



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Specialists**  
Communities served from Fairbanks, Alaska, to cities in Florida.  
Send for questionnaire for tentative survey of your city.  
**Bott Advertising Agency**  
Little Rock, Arkansas

## "I like NATION'S BUSINESS."

says Walton L. Crocker, President of the John Hancock Life Insurance Company, "because it is an impartial teacher and because it is a sprightly and masterly aid to all business of whatever kind."

*That's why NATION'S BUSINESS is read each month by a quarter million business leaders.*

*If your advertisements are intended to reach such an audience, write today to our Advertising Department for details.*

**NATION'S BUSINESS**  
Washington, D. C.

# What the World of Finance Talks Of

By MERRYLE STANLEY RUKEYSER

**I**N THE financial Garden of Eden, bankers, emulating the serpent, have held out the lure of forbidden fruit in the form of easy money rates.

If the multitude of Adams and Eves who make up the nation's business folk had yielded to the temptation, there could well have been an enormous new inflation. In such circumstances, instead of entering the new year as we do, with the consciousness that underlying conditions are sound, there would have been the unfavorable realization that a new expulsion from the economic Garden of Eden, which is prosperity, would be inevitable.

In their restraint in the face of credit ease, based on huge gold imports and the open market policy of the Federal Reserve System of 1924, the Adams and Eves of Business have revealed that they are not automatons. They have shown that their conduct cannot be dogmatically predicted in accordance with simple formulae. In one set of circumstances they will eat the apple. In another, they will keep their eye on the consequences and check their impulses. The reactions of business men, it has been demonstrated, are not fatalistically predetermined by the quantity theory of money—or of apples either for that matter.

There is another aspect to this remarkable display of self-restraint in the face of inflationary allurements. It was not imposed on business men from without, but came from a voice within. Usually the bankers have sought to pose as the guardian angels of business men—destined to save them from their own excesses. In the recent credit cycle, the bankers, though perhaps unwittingly, were the serpents who allowed a greater superstructure of credit to be created than ever before—and thus held out to business men the lure of fortunes easily made through speculating in commodities. According to the ablest banking specialists, enough credit was created to support the same colossal volume of business with a 30 per cent higher price level than prevailed. Instead, wholesale prices fell about ten points in 1926.

Whatever the cause, economic fundamentalism in the form of the unqualified quantity theory of money, was knocked into a cocked hat. The excess credit, which failed to tempt business men, found employment in the security and real estate markets. However, as long as the volume of credit continues in existence, its uses can be diverted. The temptation of forbidden fruit persists, and some of the leading technical banking economists are clamoring for the removal of the apple. Specifically, they urge that the Federal Reserve System take advantage of any recession in the volume of business in 1927 to reduce the aggregate of credit outstanding. Potentially, they see a danger of switching credit from the speculative markets of business and thus creating a temporary boom based on

a dizzy inflation, which would invite a subsequent collapse of the adjustment.

These thoughts are just beginning to be articulated in the financial district and are destined to receive further consideration. An appreciation of these factors may well determine Federal Reserve discount and open market policies in 1927—and in these business men, speculators and investors have a direct interest. Outsiders are coming more and more to look to the Federal Reserve System for leadership and guidance.

**DR. B. M. ANDERSON, JR.**, economist of the Chase National Bank, the second largest bank in the country, no doubt had this situation in mind when he wrote in the bank's latest bulletin on *Bank Money and the Capital Supply*:

I would maintain that the growth during the past three or four years in bank investments and in bank loans against stock and bond collateral has been unduly rapid, and that a period of pause in this matter, with stock-taking and with a waiting for investors' demand to take up some of the current supply of securities carried with bank money, is distinctly in order.

Any recession in trade in 1927 would give the Federal Reserve System an opportunity to reestablish contact with the money market, and to curtail the volume of credit outstanding. It could probably effectively correct the situation by throwing back on the market \$300,000,000 of government securities which are now among the holdings of Federal Reserve Banks.

If there is any letdown in business, it would not be surprising to see a cut of 1/2 of 1 per cent in the rediscount rate. Such a reduction would merely mean that the banks would pay less for accommodation, making a borrower's instead of a lender's rate. On the other hand, an open market operation, such as the purchase by the Federal Reserve Banks of an additional \$150,000,000 of government securities would be far more decisive in its influence on the business situation.

Those who think there is already too much credit outstanding would, of course, oppose the idea of such purchase by the Federal Reserve Banks on the ground that it would make it still less feasible for the system to put the brakes on when and if the necessity arose.

In ancient times, which in American finance means prior to 1923, there was always a marked return flow of credit to the banks with any letdown in business. Whatever the business outlook may be, there will probably be no flood movement of currency in the near future, because the people of the country, in their new sophistication, have recently learned how to rely more on bank checks and less on hand currency. The growth of labor banks,



# It pays to install a good valve first!

Much depends on the valves used in a building. They contribute to fuel economy, safety of life and property, convenience and comfort.

They are not inert fixtures, but important parts of power plant, plumbing, heating, and fire protection equipment, usually subjected to constant service.

Though valves represent a small part of the original cost of a building, inferior valves, if installed, develop into sizeable items of maintenance, ultimately requiring replacement with good valves.

Jenkins Valves installed first save this replacement expense. They may cost a little more, but represent an investment in assured service—true valve economy.

For the past 62 years these valves have been made continuously to the highest standards. They are the product of an organization that knows valves and valve requirements.

The making of a Jenkins Valve is a work of precision and care from beginning to end: metal and castings are under the watchful eye of competent metallurgists; machining is held to close limits; assembly is painstaking; inspection is minute during every step of manufacture; and each valve is given a

series of tests in excess of the pressures for which it is recommended.

When the Architect or Consulting Engineer writes Jenkins Valves into a specification, he is figuring on economical valve service. When the Power Plant Engineer or Works Manager insists on Jenkins, he seeks to lower maintenance. And when the Designing Engineer requisitions Jenkins for the appliance that needs valves, he is adding a unit acceptable everywhere.

Jenkins Valves are made of bronze and iron in standard, medium and extra heavy patterns for all purposes. You are invited to write to our Sales Engineering Division, maintained expressly to aid in the selection of proper valves for any service.

## JENKINS BROS.

80 White St. . . New York, N. Y.  
524 Atlantic Ave. . . Boston, Mass.  
133 No. 7th St. . . Philadelphia, Pa.  
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JENKINS BROS., LIMITED  
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FACTORIES:  
Bridgeport, Conn. Elizabeth, N. J.  
Montreal, Canada



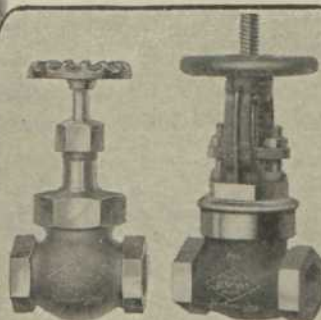
*In the Graybar Building, New York, N. Y. Jenkins Valves are used for power plants, plumbing, heating, and fire protection service.*



Always marked with the "Diamond"

# Jenkins Valves

SINCE 1864



*Jenkins Bronze Gate Valve for medium pressures.*

*Jenkins Bronze Gate Valve for extra heavy pressures.*



*Jenkins Bros. Co., Bridgeport, N. J. Plant, using Jenkins Valves.*





## An effective insurance against business reverses

—a solid structure of bond investment

**T**HE conservative business man will not put all his eggs in one basket. He will not hazard all of his resources in one business.

It is prudent to withdraw some of the profits, year after year, and build up an investment fund as a reserve. It is a form of insurance.

Such a bond reserve is immeasurably stronger if it is something more than a mere aggregation of bond issues. To make security doubly sure, the holdings should be well diversified, as to kind, industry, maturity. They should also be adjusted to the special needs of the investor or his business.

It is here that an experienced, resourceful bond house can be of great assistance. It has the knowledge to design a solid structure of investment, *and it has the varied issues to actually build it.*

*May we offer you suggestions for starting such a bond account or for strengthening one you already have?*

### HALSEY, STUART & CO.

INCORPORATED

CHICAGO 201 South La Salle St.	NEW YORK 14 Wall St.	PHILADELPHIA 111 South 15th St.	DETROIT 601 Griswold St.	CLEVELAND 925 Euclid Ave.
ST. LOUIS 319 North 4th St.	BOSTON 85 Devonshire St.	MILWAUKEE 425 East Water St.	MINNEAPOLIS 610 Second Ave., S.	

### "THINGS TO TELL YOUR MEN"

A SERIES of thirteen articles by George E. Roberts, Vice-President of the National City Bank, has been done into a handy-sized booklet.

The series sub-titled "Economics in Homespun" attracted wide attention when it appeared in NATION'S BUSINESS and has already been found useful by many employers who believe in teaching their employees the simple principles of economics.

Single copies of the booklet will be sent for 20 cents. Prices for quantities will be furnished upon request. Address .

### NATION'S BUSINESS

Washington, D. C.

for example, has brought the convenience of the credit system even to men in overalls.

Of course, if business in 1927 should expand instead of recede, it could readily get an abundance of credit which the banks could, if they chose, withdraw from noncommercial uses. There is no question of adequacy in the credit supply; the problem is how to avoid the dangers of an excessive supply.

Business men may look forward to an abundance of credit at comparatively low rates for all legitimate needs. There seems, however, no prospect in the near future of a return of bargain rates of the summer of 1924 when money went a-begging.

**A**N EXECUTIVE of one of the important Wall Street reservoirs told me that he believes in 1927 banks will drop a number of the weak sisters which they have nursed along patiently since the depression of 1921, in the forlorn hope that they could again become profitable institutions.

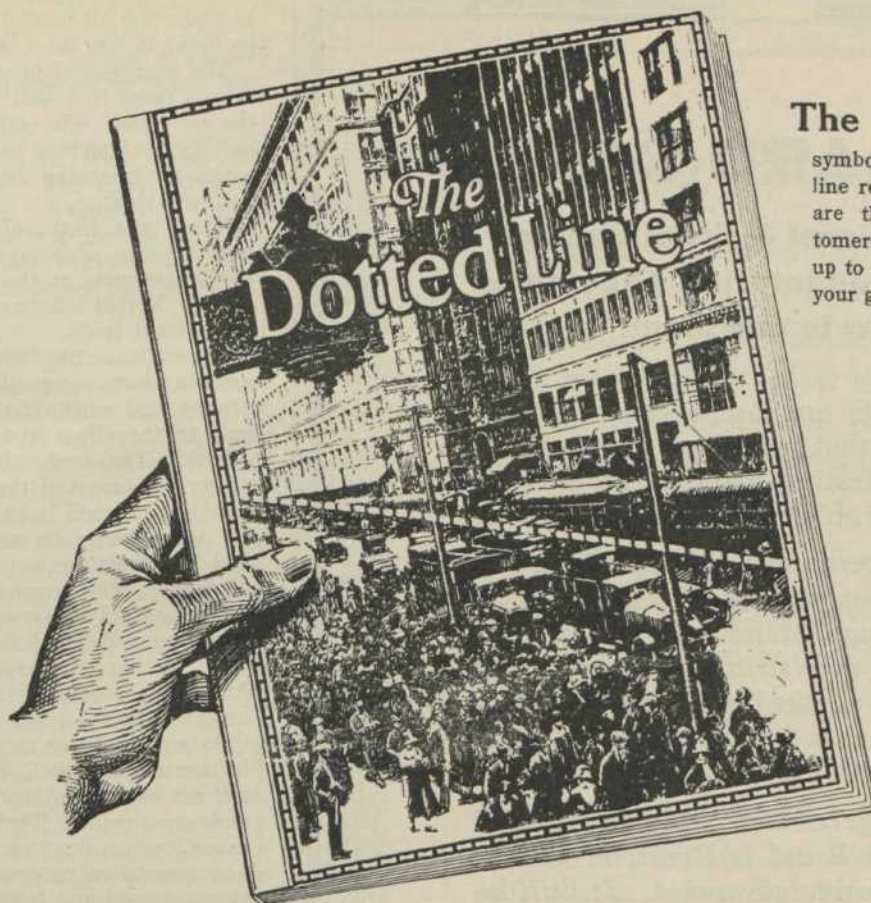
**C**LARENCE DILLON is an individual of many sides. He can retain his equanimity while simultaneously analyzing the details of a score of prospective financial deals, while bearing the brunt of legal actions by a hostile minority in a large industrial property which he helped to reconstruct after its collapse of 1921, and while being one of the unnamed targets of a campaign of financial criticism recently waged by William Z. Ripley of Harvard University. Mr. Dillon finds relaxation in art and in culture. His taste for etchings is well-known. His present hobby is somewhat afar from this field. He recently imported a herd of cows from the Isle of Guernsey and enjoys the business of acclimating them to the rigors of New Jersey. In discussing this nonbanking activity with Mr. Dillon, a newspaper man remarked to him: "I don't suppose you make any money out of the cows," to which Mr. Dillon is said to have replied, with a twinkle in his eye: "Oh, yes, they pay very well."

**N**INETEEN TWENTY-SEVEN inherits no dangerous structural weaknesses in business from 1926. The new year gets from the old a stirring challenge in the form of new high records of business accomplishments.

It is wrong to assume that American business cannot perpetually surpass in the future the achievements of the present and the past. The annals of American business show that it has been doing precisely that since its earliest beginnings. Growth is normal for American business. Economists refer to the dynamic factor of continuous development as a secular trend, and estimate that it amounts to approximately 3 per cent a year on the average, though varying from industry to industry.

The present tendency toward growth is a soothing tonic for business, tending to make depressions abnormal and shorter in duration than periods of expansion and prosperity. When a recession occurs, it represents merely a temporary step backward in order that business may jump still further forward. The late J. Pierpont





### The Dotted Line

symbolizes the sale. Dotted line results from advertising are those that bring customers into the store and up to the counter to ask for your goods.

## The tips in this book will aid the advertiser to win the Chicago Market

No matter what you are selling you can be well advised by Chicago's retail space buyers. They are interested in "dotted line" results . . . in cash sales from every line of advertising.

CHICAGO'S "Loop" is the greatest retail market in the world . . . nowhere else can be found concentration of such volume . . . \$275,000,000 yearly.

If there are any short-cuts to success in a market, certainly the retail merchants know them.

It is most significant that department stores in Chicago, whether in the "Loop" or in outlying districts, depend more on The Daily News than on any other Chicago paper to move merchandise.

In the first eleven months of 1926 more than 40% of all the department store lineage used in Chicago papers, *daily and Sunday* appeared in The Daily News . . . MORE

THAN TWICE the volume any other daily or Sunday paper carried.

Why is The Daily News so important a factor in selling goods in Chicago? What conditions exist to justify this overwhelming preference of retail merchants?

### Write Today for the Answer

This significant book, "The Dotted Line," gives a dramatic and timely picture of the advertising and merchandising situation in Chicago. If you are selling or plan to sell goods in Chicago, you can benefit by knowing the methods used by those who are already successful. A copy will be sent free to business executives who write for it on their business stationery. Address The Daily News, 15 North Wells St., Chicago, Ill.

## THE CHICAGO DAILY NEWS

*First in Chicago*

*Member of The 100,000 Group of American Cities*

**Advertising  
Representatives:**

NEW YORK  
J. B. Woodward  
110 E. 42d St.

CHICAGO  
Woodward & Kelly  
360 N. Michigan Ave.

DETROIT  
Woodward & Kelly  
Fine Arts Building

SAN FRANCISCO  
C. Geo. Krogness  
256 First National Bank Bldg.

*When writing to THE CHICAGO DAILY NEWS please mention Nation's Business*



## "STANDARD COSTS"

**The New Ernst & Ernst Booklet  
Shows Manufacturing Executives  
How to use them**

Standard Costs are inseparable from the sound policies that should govern any modern and progressive manufacturing business. They are an appeal to common sense.

A dead or superannuated cost accounting system, not unsound in principle, can be salvaged through Standard Costs. Standard Costs can give such a system vitality and usefulness; make it promptly informative, a real means to the control of costs and the protection of profits.

The new 28-page booklet, "Standard Costs," just issued by Ernst & Ernst, is written from the executive viewpoint. *It will be mailed on request of nearest office.*

### ERNST & ERNST

ACCOUNTANTS AND AUDITORS  
SYSTEM SERVICE

NEW YORK  
PHILADELPHIA  
BOSTON  
PROVIDENCE  
BALTIMORE  
RICHMOND  
WINSTON-SALEM  
WASHINGTON  
BUFFALO  
ROCHESTER

CLEVELAND  
AKRON  
CANTON  
COLUMBUS  
YOUNGSTOWN  
TOLEDO  
CINCINNATI  
DAYTON  
MEMPHIS

DETROIT  
GRAND RAPIDS  
KALAMAZOO  
PITTSBURGH  
WHEELING  
ERIE  
LOUISVILLE  
ATLANTA  
MIAMI  
TAMPA

CHICAGO  
MILWAUKEE  
MINNEAPOLIS  
ST. PAUL  
INDIANAPOLIS  
DAVENPORT  
ST. LOUIS  
KANSAS CITY  
OMAHA

NEW ORLEANS  
JACKSON  
DALLAS  
FORT WORTH  
HOUSTON  
SAN ANTONIO  
WACO  
DENVER  
SAN FRANCISCO  
LOS ANGELES

Morgan sensed these economic laws when he made the oft-quoted remark: "You will go broke if you are a bear on America."

The processes of industry and commerce do not come to a halt with the passing of the old year. The calendar is significant only for bookkeeping purposes. It gives occasion for balancing the ledger of prospects and probabilities.

There is a factor of safety in the current absence of overoptimistic and bombastic statement on the part of men in high places. Verbal inflation is out of tune with the present spirit.

Recent trade has been colossal in the aggregate, but competition has been unbridled and substantial profits have gone only to the ablest and most efficient producers. The tremendous productive capacity at home and the increased competition from abroad have been driving industry to challenge its methods of operation and to eliminate waste with the utmost dispatch. This process of getting costs down by applying science to industry and commerce will be quickened during the new year, and to the extent that it succeeds, America's economic supremacy will be heightened.

As a part of this movement there will be further mergers and consolidations. There will be larger appropriations for research and experiment. There will be increased incentive for carrying on more extensive activities based on genuine cooperation between capital and labor—between management and men.

By the end of 1927 it is likely that virtually all of Europe, including France and Italy, will be back on a sound money basis. Such a development would represent a further liquidation of the effects of the war. It would heighten the competitive power of European manufacturers in world markets and would also have the salutary effect of increasing the solvency of America's leading customer and financial debtor.

There is reason for good cheer in the fact that 1926 ends without bequeathing to 1927 economic maladies in the form of inflated commodity prices, excessive and unbalanced inventories, a weakened banking position, or other inevitable causes of depression. The new spirit of business is to adjust production to demand, and this policy will go on unhindered in 1927.

## A Quarter Million—

business men like yourself are reading this number of NATION'S BUSINESS.

*Have you something to sell to this audience?*

Let our advertising department furnish you with facts and figures.

THAT merchants' inventories are relatively low is well known, but consumers have been buying at an extraordinary pace in recent years. The question has been raised whether their needs have not been fairly well satisfied for the present.

George E. Roberts, vice-president of the National City Bank of New York, in discussing this question, said:

"The wants of the American people are no nearer to being satisfied now than they were a year ago or five years ago, nor is there the slightest prospect that they will be satisfied in the near future. The buying power of the American people exists in the work they do for each other from day today, and is as limitless as their wants. The pace at which they make headway in satisfying their own and each other's wants depends upon their ability to work to-



gether harmoniously, understanding all the time the cooperative character of their relations. The secret of continued prosperity is in a fair and even distribution of it."

**F**ASHIONS shift in Wall Street with great rapidity. The current vogue is for foreign bonds. Tastes run through cycles. Sometimes it is one industry, one type of security, one point of view—a few weeks later new favorites inevitably come to the fore.

**A**MONG the interests of Wall Street, what is the most staple subject which attracts attention through the years and through the various phases of the business cycle? In attempting to answer this, I should say "religion." In the shadow of the world's greatest security market, religious proselyters, attempting to represent God in the stronghold of Mammon, hold noon day meetings every business day in the year and always attract huge throngs. Other meetings for political and philanthropic purposes are held on the streets of the financial district occasionally, but the gatherings to win converts to the church are as regular as the sounding of the gong each trading day which signifies the opening of the Stock Exchange for business.

Until his death last year, the Reverend William Wilkinson, who was known as the Bishop of Wall Street, was the dominating personality in these meetings. No one has yet wholly filled his rôle. One of the most popular preachers who holds outdoor meetings in Wall Street, is a colored clergyman, ex-elevator operator, named Robert J. Blay, who speaks under the auspices of the National Bible Institute.

**O**NE OF the objections to canned machine-made publicity is that it makes colorful interesting human beings who are at the head of business enterprises seem like stuffed shirts. I was discussing this point recently with B. C. Forbes, who said that the public is not interested in perfect men. He said the most interesting figures in the Bible were those who had sinned. Accordingly, when he prepares biographies of outstanding men, he always asks his subject for instances in which someone else put something over on him.

There is likely to be a revolt against canned publicity. The rebellion, when and if it comes, will also go to absurd extremes. An editor of a large and influential popular magazine recently asked a staff member to develop interviews with business leaders, saying that he only wanted interviews in which leading men stepped out of character and said something contrary to their own interests in their special field. This opens up new vistas and a great new market for aspiring young writers.

Here are a few suggestions on individuals and topics for interviews which would, according to this formula, find a ready market:

1. J. P. Morgan: Why I Oppose Investment in European Bonds.
2. O. P. Van Sweringen: Why the I. C. C. Should Reject Railroad Mergers.
3. Charles E. Mitchell: Why the Pub-

## Working Together

**A** CERTAIN manufacturer opened a small account with us in 1917. His contacts in the bank were with an officer who knew a great deal about the depositor's line. Together they worked out plans for expansion, and the bank supplied the credit.

Since then, that Company has averaged earnings of more than \$700,000 a year, and its net worth today exceeds \$4,000,000.

Perhaps a similar case may not be exactly repeated. But hundreds of our clients know that our facilities and the counsel of our officers are constructive factors in their businesses. We invite executives to let us prove this to their satisfaction.

## Guaranty Trust Company of New York

140 Broadway

NEW YORK    LONDON    PARIS    BRUSSELS  
LIVERPOOL    HAVRE    ANTWERP





NEW ISSUE

**\$2,500,000**  
**MIDWEST GAS COMPANY**  
 A Delaware Corporation  
 First Mortgage 7% Gold Bonds  
 Series A

To be dated November 1, 1926

To mature November 1, 1934

As all of these bonds have been subscribed for, this advertisement appears only as a matter of record.  
 New Issue

**\$3,000,000**  
**Southern Gas Company**

First (Closed) Mortgage 6½% Sinking Fund Gold Bonds  
 With Detachable Stock Purchase Warrants

Dated November 1, 1925

Due November 1, 1938

New Issue

**\$4,000,000**  
**INTERNATIONAL POWER COMPANY, LIMITED**  
 First Preferred Stock

Cumulative Dividends, \$7 Per Share Per Annum

One Share of Common Stock Will Accompany Each Share of Preferred Stock

See

See

NEW ISSUE

**\$2,000,000**  
**CADY LUMBER CORPORATION**  
 (Delaware Corporation)

First Mortgage and Lien 6½% Sinking Fund Gold Bonds  
 (Closed Mortgage)

To be dated November 1, 1926

To mature November 1, 1929

New Issue

**\$1,500,000**  
**Electric Ferries, Inc.**

First Mortgage 7% Gold Bonds

Dated April 1, 1926

Due April 1, 1941

EACH \$1,000 BOND TO BE ACCOMPANIED BY A BONUS OF FOUR VOTING TRUST  
 CERTIFICATES REPRESENTING FOUR SHARES OF COMMON STOCK

*The above represent some of our recent underwritings. We are  
 prepared to purchase entire issues of securities of similar character.*

**G. E. BARRETT & Co.**

Incorporated

120 Broadway  
 New York

208 South La Salle St.  
 Chicago

## Whose Is the Biggest Job in the World?

See the February number of NATION'S BUSINESS

lie Should Bank in State Chartered Institutions.

4. E. H. Gary: Why I Expect a Business Slump.

5. R. Poincare: Why the Franc Is Quoted Too High in Foreign Exchange Markets.

6. Andrew W. Mellon: Why the Excess Profits Tax Should Be Restored.

7. Francis H. Sisson: Why Silence Is Golden in Wall Street.

8. Charles M. Schwab: Confessions of a Pessimist.

9. H. Schacht: Why Germany Enjoys the Privilege of Paying Reparations.

10. George F. Baker: What I Am Doing in the Stock Market.

11. Ivy L. Lee: Why Business Leaders Should Avoid the Expense of Publicity Counsel.

12. B. Mussolini: The Dangers of One Man Control in Government.

13. Bernard M. Baruch: Why McAdoo Is Unavailable for the Presidency.

WALL STREET is wondering whether the return of European countries to a sound money basis will result in an outflow of gold from the United States. Here is an interesting view of the situation as expressed to me by John E. Rovensky, who recently resigned as vice-president of the National Bank of Commerce to become first vice-president of the Bank of America, which was launched in 1812 as an off-shoot of the Bank of the United States when the latter failed to get a renewal of its charter.

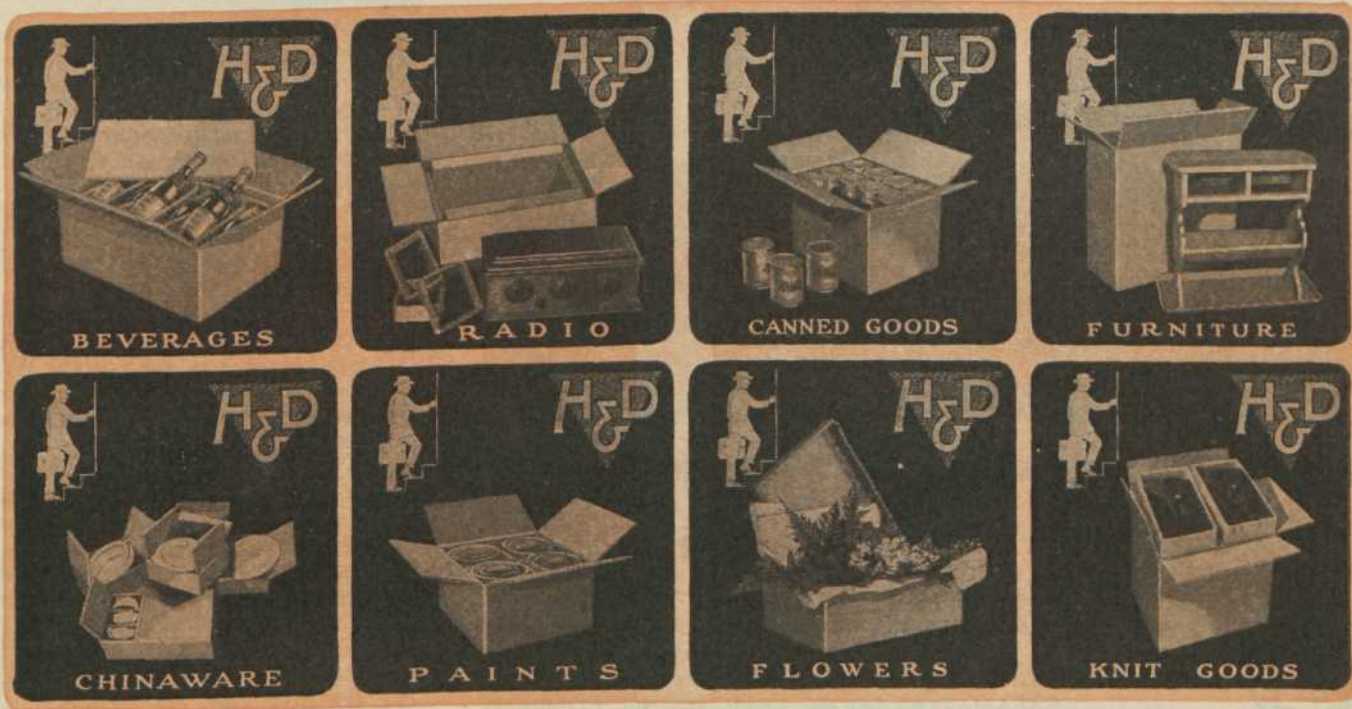
"The world is reaching a new phase in its attitude toward gold. Originally, the individual wanted gold directly under his own surveillance—hidden under his mattress or buried in his own garden. Then, as his confidence in others developed, the individual was ready to entrust his gold to the goldsmith and then to the bank. Nations, like individuals, are beginning to take a different view of gold and it seems to me no longer care so much about the physical location of the precious metal. If we are willing to continue to extend credit to the rest of the world, other nations will not care very much where the gold reposes. As far as we are concerned, we have succeeded in refrigerating the new gold and thus minimized its inflationary dangers."

A PART of the program of big business is to induce the general public to live more affluently than ever before.

John J. Raskob, chairman of the Finance Committee of the General Motors Corporation, in discussing this subject with me, said "What Europe needs is to raise the standard of living of its population. People should be encouraged to want more. Prosperity is based on the satisfaction of many wants. If wants could be reduced to zero, on the other hand, there would be no work at all, and industry would stand still.

"One way to develop wants is through devising better means of financing consumer purchases. The old world is now interesting itself in the partial-payment plan. I recently read that a consumer's bank had been established in Germany. I believe there is a place for consumer's banks in





## Every Box a Masterpiece

*I*T'S a matter of pride—the pride of an organization conscious of its twenty-three year record of quality, and the pride of its skilled craftsmen with whom fine workmanship is a creed.

The quality of an H & D box is not superficial. To a layman it might look like any other. The difference starts in the selection of the fibre, is affected by the speed and care of manufacture into corrugated board and lastly by the process which shapes the board into a box. And all these factors are separate and distinct from the additional and equally important question of design.

One endorsement of H & D quality and design is the large proportion of the nation's shippers who put their packaging worries into the hands of Hinde & Dauch. They know that the World's largest producers of corrugated fibre shipping boxes and packing materials are organized for just one quality of production—the best—and cannot afford to risk their reputation or leadership on a single faulty shipment.

H & D Engineering Service, through its traveling Package Engineers, is waiting to help you. Send the coupon today. You assume no obligations.

THE HINDE & DAUCH PAPER COMPANY  
304 WATER STREET SANDUSKY, OHIO

Canadian Address,  
Toronto: King Street, Subway and Hanna Avenue  
The World's Largest Producers of Corrugated Fibre Shipping Boxes  
and Packaging Materials.



**HINDE & DAUCH  
CORRUGATED FIBRE  
SHIPPING BOXES**

**SEND FOR A HINDE & DAUCH PACKAGE ENGINEER**

### Ask a Package Engineer He Knows Packages

Mr. Parker M. Seymour,  
Manager of the Purchasing  
and Traffic Departments of  
the Republic Stamping and  
Enameling Co., Canton,  
Ohio, says:

"We used to pack large quantities of our enameled kitchen utensils in one box, requiring the jobber to split and repack them; now they are resold in the original H & D package."

"H & D Package Engineers have cooperated with us throughout in improving our packages. If wooden boxes were bought today they would cost far more than the fibre boxes. The H & D boxes also occupy considerably less storage space, and are much easier to pack."

"Besides this we have our present greater customer satisfaction, easier sales and repeat orders, quicker service in shipping, plus our own satisfaction in using a scientific, neat, standardized package."



THE HINDE &  
DAUCH PAPER  
CO., 304 Water St.,  
Sandusky, Ohio

Please have a Pack-  
age Engineer call ☐  
Send me copy of book-  
let, "How to Use H & D  
Free Service." ☐

Name of  
Company

Name of  
Writer

Street  
Address

City

State





## Those Who Make and Use Figure Facts of Business



**USE  
Loose Leaf  
Books  
for  
Records**

**CHOOSE  
KALAMAZOO**

For they know the facts about "Kalamazoo" convenience, durability and appearance. A request on your business stationery will bring complete, illustrated catalog. KALAMAZOO LOOSE LEAF BINDER COMPANY

Factories at Kalamazoo, Mich., and Los Angeles, Calif.  
Sales Offices in Principal Cities

# KALAMAZOO

LOOSE-LEAF-DEVICES-AND  
ACCOUNTING-SYSTEMS

## The Worker's Wife

**T**HIS advertisement is about group insurance, a matter which is sure to come up for the consideration of modern business executives. Group insurance is no patent panacea for the employee problem; but it is a most potent help.

Consider only one angle:—the worker's wife. In case of death or disability to her husband it is she and her children who benefit by group insurance. This means that she is going to help you in the matter of the man's contentment and co-operation in his job.

This is only one of many far-reaching influences involved in group insurance.

We have two booklets, "Management, Men and Motives" and "Group Life Insurance," which throw light on this question. Your local John Hancock office will be glad to send them to you, or they can be obtained by writing to Inquiry Bureau

*John Hancock*  
LIFE INSURANCE COMPANY  
OF BOSTON, MASSACHUSETTS

197 Clarendon St., Boston, Mass.  
NB



## Heat Treating Made More Economical

Bohnite case hardening compound is every day establishing new heat treating economies in some of the largest plants in the country. Bohnite offers most unusual savings opportunities and assures an absolutely uniform depth of case. Write for proof.

The Case Hardening Service Company

2281 Scranton Road

Cleveland, Ohio

# Bohnite

this country to finance consumption under proper safeguards."

In developing this idea, Mr. Raskob said that the consumer's banks should follow the same principles in regard to a variety of products which the General Motors Acceptance Corporation has pursued in financing sales of the corporation's products.

Incidentally, Mr. Raskob foresees a production during 1927 of at least 4,250,000 cars and trucks, and sees no reason why there should be a slump in the earnings of the General Motors Corporation.

**W**ALL STREET has been having a chuckle at the expense of William Street, the insurance center. An insurance agent called on a stranger and had the exhilarating experience of having him say "sure" when he was asked whether he desired any life insurance. Having apparently struck a bonanza, the agent attempted to sell a full line. The prospect in turn said he would gladly take fire, burglary, health, and accident insurance. "Was there no limit," the bewildered agent wondered. He ventured to introduce novelties. "How about some tornado insurance?" he asked. For the first time, the prospect balked. Finally, he inquired, "How do you start a tornado?"

## What Is the Cost of Wear and Tear?

**T**O MOST business men, government and taxation are almost synonymous, for business finds that it comes in contact with governmental operations most often through the Bureau of Internal Revenue. This contact is often more than merely vexatious, it is costly, for business and for the Government; and one of the chief causes for this is the treatment of depreciation in income tax returns. Like the problem of rearing children, it is constantly recurring; and like the same problem, certain rules are applicable providing it is recognized that there are exceptions.

In 1921 the Department of Manufacture of the National Chamber, recognizing the importance of the problem, undertook to arouse the interest of trade associations in studying depreciation in their industries and determining for themselves typical rates applicable to the different classifications of property. The Department suggested that the results of these studies be submitted to the Government for recognition as the basis for the adjustment of such deductions in tax returns.

The Department of Manufacture also took the matter up with the Bureau of Internal Revenue but, though sympathetic, the Bureau offered little encouragement as there were no facilities for the review of such work as might be undertaken by trade committees. In consequence, there was no incentive for trade associations to take up the work. The matter was recently reopened by the Commissioner of Internal Revenue initiating such a study for the iron and steel industry with a view to the adoption of definite procedure in the future audit of tax returns for that industry.

Seeing an opportunity to be of real help to business, the Department of Manufacture again offers its services to trade bodies to expedite the study of their depreciation problems in order that all commodities may benefit from this simplified procedure. When these studies have been made by the trade groups with the help of the Department; the



rates, after being approved by the Bureau. "The Commissioner will accept as reasonable at any time and for any purpose," says the announcement of the Revenue Bureau. This does not mean that exceptional cases will not continue to receive particular attention, but it does open possibilities of great savings to the taxpayer not only through lessening the work necessary to prepare returns and settle disputes, but it also means a saving of expense to the Government.

This new procedure was probably due to the work done by concerted effort in several lines, typical of which are the Portland cement manufacturers, and the owners of some ore-carrying boats on the Great Lakes. Each group was able to work out an acceptable system of rates. The advantages were obvious to the Bureau and so they undertook the iron and steel job. But at the present rate of progress, it won't be completed during the lives of the present generations, and this leaves little hope for other industries to be benefited unless they undertake the work themselves.

This voluntary cooperation of the iron and steel industry and the Bureau cannot but have desirable results in clarifying the muddled situation. The Department of Manufacture has found, in connection with its cost accounting work, that there is "much uncertainty on the part of business men as to the proper deductions for depreciation and wide divergence in rates actually taken and allowed in any given industry."

Probably much of this uncertainty is due to a lack of clear understanding as to what depreciation is. At a recent meeting of an industry this subject was discussed, and it was found that at least half the men present did not understand depreciation except as an item that should be made as big as possible on tax returns. As an expense of doing business, it was totally ignored.

Webster's definition "to lessen in price or estimated value" does not throw much light on the question. A simple example may do more to explain the term.

#### A Practical Example

**B**UMBIDGE is a physician with a city-wide practice which necessitates an automobile. He buys a car for a thousand dollars and figures that he can use it for five years and then sell it for a hundred. That means that it has cost him, as far as his car is concerned, nine hundred dollars, to do business for those five years or one hundred and eighty dollars a year. This cost he must figure in his charges to his patients.

But all problems of figuring depreciation are not disposed of as simply as that. The rate for a bench vise is not the same, obviously, as that of an automatic lathe; or that of a dynamo in a dusty grain elevator, the same as that of one in a spic-and-span street railway powerhouse. However, different companies in the same industry have very similar problems and it is possible to find average rates. This has already been done, for example, in the ice cream and fresh milk industries.

What the Department of Manufacture aims to do is to help trade associations in organizing their work of finding satisfactory typical rates for their members; and, after all differences have been settled, again to aid them in presenting the results to the Bureau for recognition as the standard for that industry from which base individual statements and variations in conditions will be reckoned. This would not mean that there would not be exceptions but it would mean that tremendous savings would be made not only of a monetary kind but also in the valuable time of executives. It is another forward step in the elimination of waste.



## Competent Banking Service

*"In using the facilities of your institution for all export transactions carried on by this Company through the Port of New York, we wish to say that we appreciate greatly the very efficient manner in which our items have been handled."*

THESE WORDS of a large Western manufacturer describe a typical experience with American Exchange Irving Trust Company service.

Through world-wide connections which keep us in close touch with trade developments everywhere, this Company offers to customers every facility for the prompt and competent handling of all their banking requirements including:

- Collection of funds
- Financing of exports, imports and domestic transactions
- Purchase and sale of foreign exchange for spot or future delivery
- Travelers' Letters of Credit
- Travelers' Checks
- Transfer of funds in dollars or foreign currencies by mail or cable

OUT-OF-TOWN OFFICE

**AMERICAN EXCHANGE IRVING  
TRUST COMPANY**

Woolworth Building, New York



Just Overnight  
from New York~  
the Baths,  
the Radio-Active  
Waters of  
Europe at . . .

## The GLEN SPRINGS



IN all America, there is no other place like this—where the Radio-active mineral springs and the natural Nauehm brine baths offer you all the advantages of European Spas. And here, every year, leaders in American social and business life come regularly to relax and rejuvenate—to drink the waters and take the "Cure."

An estate of a thousand pine-fragrant acres. A setting of matchless scenic loveliness in the heart of the Finger Lake country. A justly famous cuisine, with private Dairy and Poultry farms. A daily concert program.

Visit "The American Nauehm" this winter—and take off ten years.

The baths and other treatments are especially suitable for heart, circulatory, kidney, nutritional and nervous disorders, rheumatism, gout, and obesity. Complete medical and hydrotherapeutic facilities, and modern aids to diagnosis.

THE GLEN SPRINGS  
WATKINS GLEN · NEW YORK

WILLIAM E. LEFFINGWELL, President

Write for booklets  
and special winter rates

## Ourselves as Others See Us

By RAYMOND C. WILLOUGHBY

IN SPITE of an extensive home production of hosiery, the United States provides a valuable and growing market for the sale of high-class British hosiery. A Hosiery Plant with a Southern Exposure reports a correspondent of the *Manchester Guardian Commercial*. For the information of British manufacturers the correspondent cites the organization of a group of American factories, suggesting it as an example of industrial integration that could be profitably observed. So keen is the American company on maintaining the high level in its executive offices, he says, that it attracts young men from the great American universities, and each young man is "expected to bring



along five or six younger boys from his old college when they leave in, say, five years' time." Of the operations of this group of mills, he writes:

"There are 18 modern Durham mills, situated in North Carolina. The Hunter Manufacturing Company, which operates these mills, controls altogether 72 different mills, taking their whole output and financing the entire business, paying prompt cash for all purchases, and thus securing the most favorable terms. The total output of hosiery is about 100,000,000 pairs a year. This includes all kinds of hose, and not, as the Committee appeared to have thought, only the one number produced in evidence. By far the greater part of the production is of all-cotton hose, but the mills also make a little real silk hosiery, which is again on offer in this country after being for a time withdrawn, following the imposition of the Budget duties in July of last year. A considerable quantity of artificial silk hose is also manufactured, but owing to the duties it is not now possible for this to come over at a competitive price.

"The organization is as perfect as human ingenuity can devise, with its own color, legal, statistical, and other departments.

\* \* \*

"The savings effected by the methods of the Hunter organization may be classified under four heads: in overhead charges, owing to mass production and unified control; in the price paid for raw materials, owing to bulk buying; in cost of distribution, because of the enormous quantities sold in large parcels; and in 'direct' manufacturing costs."

To THE observation of Edsel Ford that "you seem to be getting on wheels as fast as you can," a writer in the *Nation* and *Athenaeum* brings confirmation with a terse

Instalments  
Help to Make  
the Motors Go

"We are," when giving his impressions of the recent motor show at Olympia. He supposes that

"... if this rush for motors goes on for another few years, we shall reach the American proportion of a motor-car to every ten of the population—unless by that time we

are all flocking to a show of flyabout aeroplanes. . . . Otherwise, the flow of money at Olympia with the industries of the country bleeding from the coal disaster would be mere senseless waste. Another sign of Americanization—it also helps to explain the brisk business—is the growth of the system of payment by instalments."

ACCEPTANCE of Sir Alfred Mond's proposal that the British Empire be made a free trade area with a tariff barrier against the rest of the world might produce three customs unions similar to the German Zollverein—America, Europe and the British

Empire, says the *Spectator*, in raising the objection that the recommendation would mean "a quite unnecessary declaration of economic war." Mindful of the obvious fact of continuously growing concentration of interests and of industry, and of "the world shaping itself into certain definite economic communities," Sir Alfred believes that the economic possibilities of the Empire should provide for all its needs. In evidence of the trend toward large economic units is the United States with its "enormous wealth, magnitude and resources." Pleading for a united economic Empire, he writes:

"There is no doubt that a large section of the business men on the continent of Europe are considering whether some form of economic union, such as exists today in the United States of America, with Free Trade within the union and with Protection against those outside, will not become an absolute necessity for the economic continuance of European industries. . . .

"If we could only look at the Empire as a whole and not in sections; if we could visualize it as one economic unit with a policy whereby there could be free intercourse of the Empire's goods within its own territories, as America has from New York to San Francisco; as Canada has from Halifax to Vancouver, with the necessary protection against those outside, we should form that third group which is obviously called for to counterbalance the two industrial alliances of America and Europe.

No OBJECTION is seen by the *Spectator* to a transaction which brings together British labor and American money—in this case the manufacture of safety razors at Slough by the subsidiary of an American company. Of the assurance that Britons

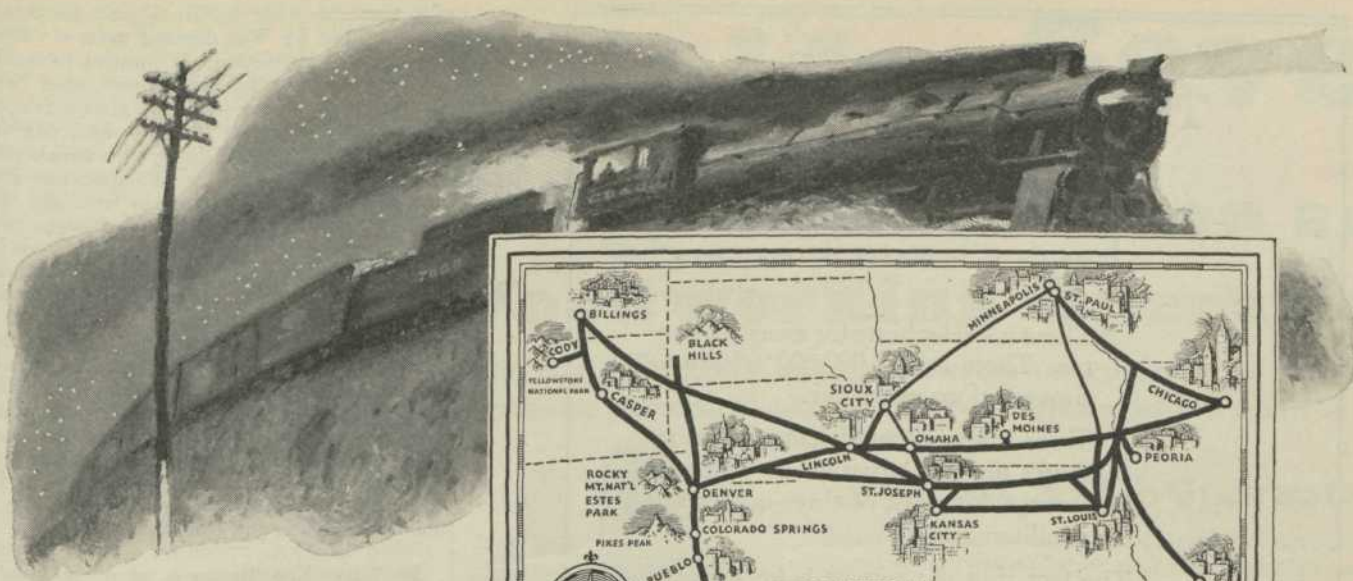
never need be slaves to American safety razors, and of the effect of the safeguarding act, the *Spectator* says:

"Those who prefer the 'safety' razor to the



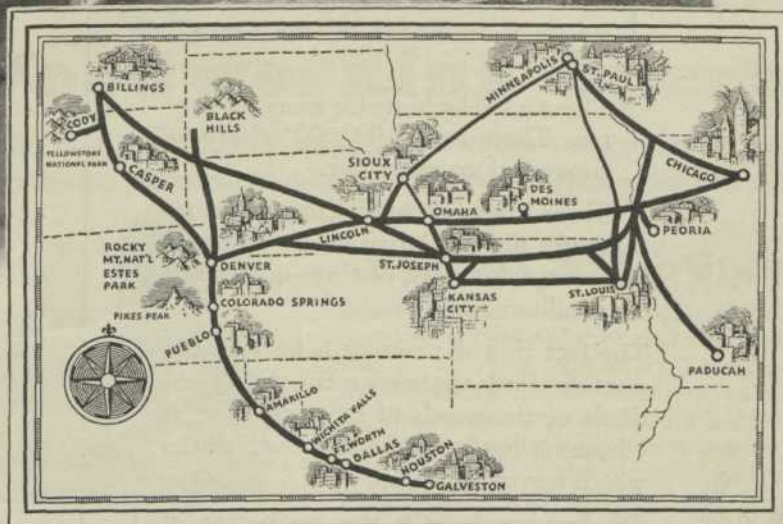
ordinary razor which has satisfied the civilized shavers of past centuries must be grateful to American inventors and manufacturers, but they need not now buy an American article. The British soldier is to be supplied





Today  
its fast freights  
move

with swiftness undreamed of  
six short years ago



IN 1920, after the years of war-time emergency, American transportation faced the greatest crisis in its history.

It was necessary for railroad operations to be readjusted from a "federal control" to individual management.



Today, on the Burlington, a change which has almost revolutionized business in the Middle West! Faster, more economical, more efficient transportation than ever before.

Shipments move with a swiftness undreamed of six years ago. Second morning deliveries where third morning deliveries were made before. Ten hours lopped off a single fast freight run, Chicago to Denver. Hourly freight capacity increased by 28.3% per train. Switching time, by a new system of classifying freight, reduced often from two hours to thirty minutes. A fast freight on time to the minute for thirty consecutive days!

Millions of dollars saved each year for merchants and manufacturers, more than twenty

per cent of whose capital has been freed by speedier deliveries!



All this, and more, in six short years! Here was a task which required *Burlington men*,



### For 75 Years

*The Burlington has completed seventy-five years of successful railroad service. The Burlington has never been in the hands of a receiver; it has never defaulted on a financial obligation. The Burlington has counted success as necessary to a useful existence. It knows no other way to provide the high class of service the public has demanded and which the Burlington has made its first purpose.*

*H. C. Allen*  
PRESIDENT OF THE BURLINGTON

trained by over two generations of successful railroading experience.

A task whose gigantic proportions you can truly judge only by referring to the map above. Follow with your eye the main lines of the Burlington:

Eleven thousand five hundred miles of lines! Serving thirteen of our largest states, one-third our total land area. Reaching practically every important commercial center between the Great Lakes, the Ohio River, the Rocky Mountains and the Gulf of Mexico.

The largest food-carrying system in the world! For within this tremendous area are produced: Two-thirds the oats, more than half the corn, more than half the barley, half the wheat, half the hogs, nearly half the cattle, nearly half the sugar beets grown in the United States; vast riches in iron, timber, coal, oil, copper, silver, gold, wool and cotton.



Such has been the most recent chapter in the seventy-five year record of achievement by Burlington men. These men, numbering 50,000, serve you with pride in their record and with the profit of their experience.

## The Burlington Route

The National Park Line



Everywhere West

11,500 MILES OF RAILROAD IN THIRTEEN STATES

When writing to CHICAGO, BURLINGTON & QUINCY RAILROAD please mention *Nation's Business*



## The Security of an Essential Service

THE essential character of telephone service is indicated by the nation's use of it:

There is a telephone for every six people. There are 73,000,000 telephone conversations every day.

There is an unabated demand that requires new construction involving an average daily cost of three-quarters of a million dollars.

The fact that the service is an essential one safeguards the investment of the hundreds of thousands of men and women whose savings have provided the facilities which serve the nation.

On January 1, 1926, the book cost of the facilities of the Bell System was \$2,626,270,553. These facilities and the nation-wide service they provide underlie the securities of the Bell System.



"The People's Messenger"

This investment stock can be bought in the open market to yield a good return. Write for booklet, "Some Financial Facts."



## BELL TELEPHONE SECURITIES CO. Inc.

D.F. Houston, President  
195 Broadway NEW YORK

## Who are our 250,000 Subscribers? They are executives in 136,679 Corporations\*

In these corporations the magazine is being read by the following major executives:

Presidents.....	62,675
Vice-Presidents.....	28,250
Secretaries.....	27,374
Treasurers.....	13,274
Partners and Proprietors.....	15,474
Directors, Chairmen of Boards, Comptrollers, General Counsels, Superintendents and Engineers.....	10,700
General Managers.....	19,739
Department Managers (Branch—Purchasing—Sales —Export, Etc.).....	18,674
Major Executives.....	196,160
Other Executives.....	14,500
Total Executives.....	210,660
All other Subscriptions.....	39,340

## NATION'S BUSINESS, Washington

\*Figures based on a complete investigation of all subscribers in twelve cities

When writing to BELL TELEPHONE SECURITIES CO., INC., please mention Nation's Business

with these 'mowing machines,' and the Secretary of State for War decided upon a voluntary form of protection. We object to tariffs, but not to the honest Protectionist who prefers to pay more (as he is always free to do) for British goods than he need pay for foreign, and insists on doing so with his own money. The War Office has gone one step further and felt justified in refusing the lowest tenders for razors to be bought with the taxpayers' money, because these were for razors to be imported from the United States in spite of a duty under the Safeguarding Act. The order has gone to an offshoot, as we understand, of an American firm, a company registered here. The handles will be made at Slough and the blades of Sheffield steel at Montreal. Sir Laming Worthington-Evans claimed in a letter published last week that the Safeguarding Act led to the establishment of the factory at Slough, just as the McKinley tariff led British manufacturers to start factories in the United States."

IT WILL NOT BE as a mere billionaire, but as the greatest industrial philosopher the world has ever known, that Henry Ford will

go down to posterity, writes Wade Chance in *A Formula for Concocing a Ford Car* the *English Review*. In this characterization and appraisal of "Henry Ford: Industrial Philosopher," the writer finds it "difficult not to deal in superlatives in speaking of the man and his genius, for, if we measure his stature by his unheard of achievements, reserve then has no purpose." As the recipe for making a Ford, the writer explains that:

"Henry Ford takes ten pounds' worth of material, adds brains and labour, and magically installs the power of twenty horses

within a highly-refined piece of machinery, which can then be bought for about ten pence a pound, or half the cost per pound of a beef-steak."



within a highly-refined piece of machinery, which can then be bought for about ten pence a pound, or half the cost per pound of a beef-steak."

Of the results achieved through Ford methods and of the basic principle of Ford manufacturing, the reader is told that:

"He has supplied the world with mobile power equal to that of ninety-seven Niagaras. He could in imagination hold the reins of power of his own creation over 300,000,000 horses. How puny in comparison, appear the combined war chariots of all the conquerors of the ages, back to remote antiquity! This is six times greater than the total horsepower in use in the combined industries of the United States. It took Ford twenty years to make his first million cars. He now makes two million annually, or eight thousand daily. His tractors are ploughing the earth's farmlands, and his standardized, accident-proof aeroplanes will, ere long, fill the air. His output of motor-cars to date totals thirteen millions, or more than half the whole number in the world today. . . .

\* \* \*

"The first principle of his production is to keep everything in motion and take the work



to the man, and not the man to the work. Stooping to the floor to pick up a tool or part is not productive labour, therefore all material must be delivered waist high. His Fordson plant, employing 70,000 men, was built largely to eliminate lost motion. By means of this carrying platform, fifty-eight operations are performed in fifty-five minutes.

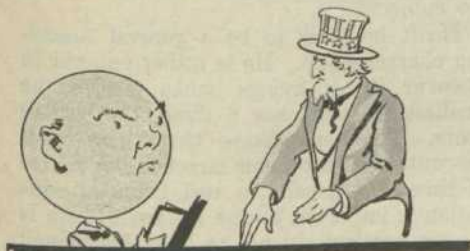
"And let the British workman listen to this, 'The age of steel is only approaching. The more machinery used, the more men are eventually required.' He employs many sightless, armless, and legless men."

PROSPERITY of the United States is not explainable by the magnitude of natural resources, but by the working agreement between capital and labor as to the basic economic principles, which must be applied if the whole community is to

**Three Planks in Our Prosperity Platform**

enjoy full employment at a steadily rising standard of living. So concludes Philip Kerr when writing in the *Nation and Athenaeum* on "Can We Learn from America?" So far as he can judge,

"... the economic life of the United States is based upon the universal acceptance of three broad commonplaces. The first of these commonplaces, accepted equally by capital and labour, is that the progressive rise in the standard of living for all classes of the community, which everybody demands, and which is being broadly realized in practice,



can only be obtained through the continuous adoption of every new scientific discovery, every new invention, every labour-saving device, just as fast as its practical use is proved. To the American mind it is axiomatic that the only way of giving the community a more varied and interesting life and of lessening drudgery and long hours of work for men and women is the progressive substitution of the machine for human muscle.

"The second commonplace, accepted as axiomatic by the capitalist leaders of business, finance, and industry, is that they will only secure adequate markets at home, and will only be allowed to make the profits they seek if they pay the highest wages which are warranted by the skill of the individual workman, if they can avoid rate-cutting, and if they can give a steadily rising standard of living to the community either by cheapening the price or by improving the quality of their goods. There is no jealousy of paying high wages, provided they are really earned, because the wage bill is recognized to constitute the major part of the home market.

"The third commonplace, accepted as axiomatic by the overwhelming mass of labour, is that unless capital can earn good profits, the employer will be unable to keep the latest machinery in the shops, and unless every individual worker works his best, prices will rise, markets will contract, wages will suffer, and unemployment will appear. There is, therefore, no jealousy on the part of labour of capital earning profits, as such, and there is willing cooperation with the employer in securing the most efficient work by every individual man or machine."

# This Idea Saves Big Sums on any Woodworking Operation

Maintenance engineers, factory managers and construction superintendents make tremendous savings on any operation where wood is used.



This ball bearing band-saw is a real money maker anywhere. Operates from any light socket.

## At Least 30% Guaranteed

Amazing results can be obtained in increased production, saving of labor and time, by this new system of bringing portable planers, saws and other woodworking machines direct to the job. They handle quickly and easily the hardest jobs on new buildings, repairs and maintenance, factory operations, and hundreds of small jobs that have always been done by high-priced hand labor. We guarantee a saving of at least 30% where Wallace Machines are not now used.

## The Wallace Idea

- 1 To save wasted steps by placing machines at the elbow of the workman.
- 2 To save time and energy by moving the machines to the material instead of bulky material to the machines.
- 3 To eliminate hand work with a convenient machine capable of handling a range of work from heavy cuts on large stock to the most exacting work on the smallest pieces.
- 4 To save investment by working machines of the proper size to capacity.
- 5 To build portable woodworking machines which possess a maximum of power at a minimum expense.



This bench jointer and planer is just one more Wallace money maker. All are portable and operate from light sockets.

## Free Trial

We are ready to prove on any job just how big a saving one or more Wallace Portable Woodworking Machines will make, without cost to you. We will put them in your shop or on any construction job, and let you see how they speed up production, eliminate waste of time and effort, save material, and do a better job. Wallace Portable Machines are proving every day how invaluable they can be, even on small jobs. The coupon or your letterhead will bring complete information without any obligation of any kind.



A portable Universal saw—a marvelously convenient machine which operates from any light socket.

**Wallace**  
PORTABLE MACHINES  
BELTLESS—  
Attach to any  
light socket

J. D. Wallace & Company,  
157 S. California Ave., Chicago, Ill.

You may send me complete information about Wallace Portable Woodworking Machines, with facts about jobs on which they have saved money, together with complete details of your guarantee to save 30%.

Name .....

Firm .....

Address .....



## Another Britisher Discovers America

**P.** A. CARMINE, banker and discount agent of London, on his return from his first visit to America, records his impressions in frank and interesting comment.

"At last I have been to the United States of America," says Mr. Carmine, "visiting New York, Boston, Philadelphia, Chicago, Detroit, Cleveland, San Francisco, Los Angeles, and New Orleans. It is such a vast and diversified country, it is impossible in a short period of time to survey it thoroughly. It would be necessary to remain in it for years to get to know it properly. During my stay in the United States, I made a tour of about 10,000 miles, by railway, traversing at one time the richest sections of the country and at another the poorest, by which I mean those still uncultivated and which are little more than deserts."

### Excellent Railroad Service

**A** MERICA, in the opinion of this candid Briton, is yet a long way from "made." He says, "in my opinion, centuries of intensive work must be carried out before the United States can succeed in cultivating and developing economically the whole of its immense territory not yet touched."

American railway trains intrigued the visitor. "The long American trains are extremely well sprung," he says. "They are built for long journeys; they are provided with several Pullman or sleeping cars, with one or two restaurant cars, with a 'club' car, generally at the front of the train, in which there is a barber shop, with douche installation, smoking, reading and writing room, and where also refreshments can be had. At the end of the train there is an observation car. On these express trains there is also a telegraph service, which enables the travellers to keep in touch with their businesses. All the carriages are high and very wide, affording plenty of breathing space and allowing the occupants to walk about at their ease. These trains are sometimes extraordinarily long, and I calculate that they reach a length of 400 metres.

"Nevertheless, for pulling them there is nothing more than a single very large and powerful engine. Except in the case of the conductors, the trains are served by negroes. There is great civility and cleanliness in the service."

### A Distinct Lack of Caste

**E**VIDENCES of democracy impressed the visitor, who continues, "in the United States there is only one class on the trains. Anybody can participate in very interesting discussions, between rich and poor, or between masters and men. It is perfect equality. In the United States, all the citizens are on an absolute equality. There is no distinction of class made. Anybody may reach the highest positions, if he has the necessary qualities and aptitudes. There are no favors. It is merit which counts. This spirit of equality it is which gives an extraordinary individual liberty of action and stimulus to mount higher, which is not to be found in Europe."

Although, as he says, he did not remain in America long enough to "survey it thoroughly," Mr. Carmine learned that "there is an immense competition between the great railway companies. They are obliged to maintain an intensive advertising campaign on behalf of their various systems to induce the public to give them the preference."

"It is entirely due to this competition that the rates remain low and that an excellent service is maintained."

The "go-getter" spirit impressed the visiting banker. He says, "Everywhere I observed a great simplicity in manners, courtesy, order, discipline, cleanliness, formidable propaganda, enormous activity, enthusiasm and patriotism."

But with all this Mr. Carmine finds the average American a hard-headed individual. He says, "The American in general has not much sentiment, because he is too greatly absorbed in his business. But once he is at home he is quite a different person. Everybody works to get rich quick. With this object always before him, he submits himself to every test. In the trains, in the restaurants, in the streets wherever friends meet, they talk about business. They are extraordinarily well informed on the subject."

Thrift he finds to be a general American characteristic. He is rather amazed to discover that "savings banks receive the smallest deposits, say a dime, that is, 10 cents. The banks know that these small accounts always become larger in the course of time. In general, a real financial education is imparted to the workman. He is taught particularly not to leave his money dormant but to cause it to bear fruit constantly. He is always well informed regarding any possibility of doing business. That is how the American banks obtain their great turnover of business, which leaves such large profits."

### A Continual Development

**"A**S SOON as the American starts to economize, he wishes to own a motor car, so that he can get about quickly, and everybody drives his own car. Those who have not yet the means to buy the car outright, pay for it in instalments."

The ease with which the enterprising American may find capital to finance his enterprise profoundly impresses the observer, who says, "in the United States, a man who has a serious conception of business and who is able to show real signs of success, will easily find a group of financiers who will lend him their aid in launching the business on the 'Change and the produce of the shares thus sold will form the capital of the enterprise. Enterprises follow each other in rapid succession and the country is in a continual state of development."

"In Europe, few people have any idea of the feverish activity existing in the United States. No one can form any conception of this ingenious and constructive mentality which always aims at producing something bigger, better or more quickly. It



## The low-down on safes

**T**HIS name, Meilink, on safes means better protection. It is a guarantee of design and structural strength that will see a safe through severe fires.

Meilink Safes are different. They are made to withstand excessive strain, falls and crushing loads. Meilink Safes have a record—50,000 safes in use and only one known loss.

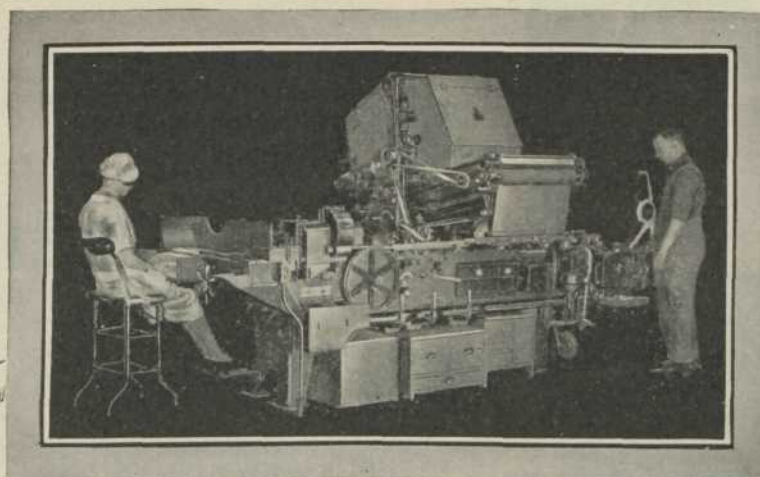
Your business records and valuables must have this better protection. Do not be satisfied with anything less. Look for the Meilink name on the safe you buy.

*M. L. Link*  
SAFELOGIST

The Meilink Steel Safe Co.  
Toledo, Ohio

Better Protection  
**MEILINK**  
BUILT SAFES





Standard Cigarette Machine

# Your producing partner-machinery

## *Is it dependable?*

WHEN selecting a partner for a business enterprise, you would certainly weigh his qualifications carefully. In this series of advertisements, we ask you to apply the same tests to *your* producing partner, Machinery.

Point No. 1: Is your producing partner dependable?

A quarter century ago the cigarette was just beginning to be made by machine. The equipment was very crude, and nearly as much time was spent in making the machines work, as in manufacturing cigarettes. Yet the demand was growing and it was clearly seen that the four and a half billion output for 1900 would not suffice for the future.

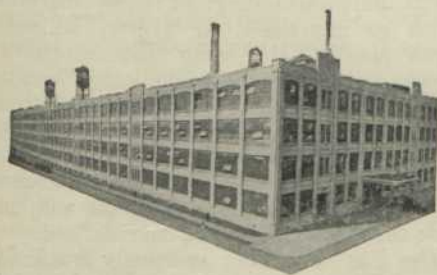
In 1909 the first AMF Standard Cigarette Machine was put into operation. It revolutionized the industry. Cigarettes were thereafter made quickly and automatically, absolutely uniform in size, shape and filling, at a cost ridiculously low as compared with former efforts.

Because this machine was *dependable*, manufacturers everywhere took it up. The cigarette, under the stimulus of low production cost and inspired salesmanship has grown to an annual output of over seventy-five billions for the United States alone.

What AMF engineers have done for this industry they have done for other industries, as future advertisements will inform you. They have developed many kinds of automatic machines as real producing partners.

Do you need such a producing partner in your business?

(NUMBER ONE OF A SERIES)



*Automatic Machinery for Feeding, Filling, Weighing, Packaging, Wrapping, Sealing, Pumping, Photo-Composing, and for all branches of Tobacco manufacture. Also Inda, the Perfected Casein Solid*



# American Machine & Foundry Company

BROOKLYN, NEW YORK

LONDON, ENGLAND

ALEXANDRIA, EGYPT

SHANGHAI, CHINA





## INVINCIBLE!

It is only natural. Those who have an impressive printing job to be done specify an impressive paper for it.

They don't jeopardize their large investment in art work, cuts and typography by a last-minute impulse to keep the cost down—with a cheaper paper. Cost is determined by the results obtained and in no other way.

The International Silver Company had a wonderful story to tell its trade. It was presented in a startling portfolio of 24½" by 18½" page size. It called for exceptionally fine halftone printing—attainable only on an exceptionally fine paper. Cantine's Ashokan, 100 lbs. was used. And the job measured up to the high expectations set for it—in appearance and effectiveness.

The true economy of Cantine's Coated Papers was again demonstrated!

A handsome steel-engraved certificate is awarded each quarter to the producers of the most meritorious job of printing on any Cantine paper. Write for details, book of sample Cantine papers and name of nearest distributor. The Martin Cantine Company, Dept. 432, Saugerties, N. Y.

## Cantine's COATED PAPERS

CANFOLD

ASHOKAN

ESOPUS

VELVETONE

LITHO C.I.S.

### Help for the Retail Merchant

FOUR PAMPHLETS have been prepared by the Domestic Distribution Department of the United States Chamber of Commerce to help the retail merchant. The subjects of these studies are:

1. Group Efforts by Merchants for Promoting Trade.
2. Merchants' Institutes.
3. Educational Courses for Retail Sales People.
4. Special Sales Events.

If you are a retail merchant, or if you'd like to get this set of pamphlets for a merchant friend of yours, send 40 cents to

Department of Domestic Distribution  
U. S. CHAMBER OF COMMERCE Washington, D. C.

is only 150 years since the Independence of the United States was declared, it is impossible to be otherwise than amazed by what has been done since. It seems like the realization of a dream."

America's financial structure and processes particularly interest Mr. Carmine. "All the banks," he says, "are subject to a very rigorous supervision, either by the State or the Federal Reserve, which may, without prior notice, send to them at any moment a commission authorized to examine their books and their cash department."

"Thanks to their genius," says Mr. Carmine, speaking of American financial and industrial leaders, "they have understood that, in order to defeat all foreign competition, and to dominate the world, by the exertion of their economic powers, it was necessary to introduce mass-production and they have succeeded in it. The more they produce the less the labor costs them proportionately and the greater is the reduction in the cost price."

#### "Masterpiece of Organization"

TWO EVENTS in his American tour stand out in Mr. Carmine's recollection. One was his visit to Swift Company at Chicago and the other was his visit to the Ford plant in Detroit. Of the Swift Company he says, "it is a masterpiece of organization, and we are forced to ask ourselves how it is possible to arrive at such precision in work." And of the Ford works in Detroit he adds, "here also I was amazed by the very great precision in their entire organization. These two great industries work with the same system. Everything works like the movements of a watch. The men work like real machines. And the object is to reduce the cost price as much as possible."

But notwithstanding all these marvels which so impressed the visitor, he sees stress ahead. He says, "this economic struggle will, in my opinion, only become more intense in the future because if the United States cannot sell the whole of the surplus of their production to foreign countries, the sale price will drop and wages with them and the United States will, in their turn, have an economic crisis."

The English banker is equally frank in his advice to Europeans. "Europe," he says, "has nothing to gain by being bad friends with the United States. On the contrary, it has everything to gain by remaining on the best possible terms with them. At the present moment," he continues, "Europe is not only worn out but demoralized. It has had too many deceptions. Its former impetus is gone. Its spirit must be revived, but, in order to revive it, it will require a great deal of credit and at very long dates of maturity. And this can only come from the United States. Let us, therefore, stand well with them: let us not regard them with so much distrust. They have every interest in putting us in the saddle, because they also have much to save."

No European writing of America, nowadays, can leave off without touching on the war debts. Mr. Carmine believes that "the American Government has come to the conclusion that sooner or later it will be to its advantage to cancel the war debts of



the Allies, but only after the acceptance by France of the agreement at Washington."

As to the continuation of the high tide of prosperity in this country, the British visitor is equally frank. "Many people," he says, "ask me if the prosperity of the United States will soon come to an end. The prosperity of the United States will continue to develop until the day when Europe wakes up. The moment it pulls itself together and understands the harm it is doing to itself by its continual strikes and disturbances, imports into Europe will begin to diminish and exports to increase. Prosperity in the United States is increasing at present, because everybody works at full speed and everybody economizes."

He concludes on this characteristically British note:

"I believe," he says, "that from the point of view of intelligence and education we in Europe are the superior, but that is not enough. We require a much greater dose of will power and decision of character. The class war should disappear forever. Work should be paid for according to its output and no limit should be imposed upon production, as otherwise we will never produce sufficiently cheaply to be able to export. Enthusiasm and confidence are wanted in business. We should thereby acquire that impetus and tenacity which produce the great success of the Americans."

## Group Bonus Plan

**THE BETTER WAGE** is the title of a booklet published by Ernst and Ernst dealing with the Group Bonus Plan. Under this scheme for improving production and industrial relations, the workers in a concern are grouped according to product, equipment, operations, department, routing, classes of workers, and wages. Groups vary in size, the average being about eight to twenty. A base rate of pay is set for each group, there usually being four classes of rates in each group—low, medium, standard, and high.

From this base rate of pay the bonus is calculated. The bonus being a certain percentage of the wage. The work of a group is carefully studied and a standard of efficiency set, as production varies from this standard so the bonus varies. Labor costs are adjusted by the revision of either the efficiency standards or the base rates of pay. New employees are given a learning period in which their work is not counted in the groups' output nor do they receive any bonus.

If this plan results in a group increasing its production disproportionately to the production schedule of the plant the men either work shorter hours or some are laid off. This does not affect the earnings of the group because with any decrease in base rate earnings, there is a corresponding increase in the bonus per cent. This prevents a reduced wage. In effect the men earn time off with pay.

The booklet goes on to describe the results achieved in plants in which the system has been tried. The plan admits of modification for differing conditions.



## The Battle of the Buildings

Amidst the roar of traffic in every metropolitan center, there is the silent unseen contest which affects the life and development of the city itself—the battle of the buildings, the struggle for the survival of the fittest from which few come out unscarred.

A great hotel seeks breathing space, smart shops follow in its wake, the retail district moves almost imperceptibly. New designs in skyscraper architecture attract tenants from buildings which until the moment had been regarded as adequate. Every change in the skyline of a city has its influence on the value of the structures which form that ever varying silhouette against the sky.

Those changes in value are as real as though they represented the demolition of part of a building—but far more difficult to measure. If they are unaccounted for, building accounts, rentals, income tax returns cannot be correct. To give obsolescence due consideration requires careful analysis, clear perspective, patience in investigations. To utilize the results of such study, the facts presented must be demonstrable, disinterested, and logically classified to meet individual needs.

An American Appraisal meets these requirements. It fortifies you with all you need to know about your property costs, values, and depreciation.

## The American Appraisal Company

MILWAUKEE

PUBLIC UTILITIES - INDUSTRIALS - REAL ESTATE PROPERTIES - NATURAL RESOURCES

A NATIONAL ORGANIZATION

When writing to THE AMERICAN APPRAISAL COMPANY please mention Nation's Business



# Consolations of a Consul

By LAURENCE SALISBURY

American Consulate, Kobe, Japan



## How Much Valuable Space Have You Devoted to Storage?

**S**PACE, like time, is a valuable commodity. It is an item you recognize in terms of dollars and cents. The more you get into your space, the more return you will get from your money invested.

Globe-Wernicke steel shelving puts into each foot of your space bigger time and space saving economies.

Here's why:

It is flexible—fits anywhere. Adaptable for every storage need—with doors for cabinets and lockers—counter high for store display. Steel shelves—adjusted to any height, partitioned to any width.

In addition Globe-Wernicke steel shelving lasts a lifetime—it can be added to as needed—it is indestructible and simple to erect and finally has a high resale value.

Ask your dealer to show you how you can reduce your storage cost with Globe-Wernicke steel shelving—or mail the coupon today for the booklet "Cutting Storage Costs."

**Globe-Wernicke**

Cincinnati, Ohio

The Globe-Wernicke Co.  
Dept. N-10  
Cincinnati, Ohio  
Gentlemen:

What are the 19 advantages in Globe-Wernicke Steel Shelving? Send me a copy of "Cutting Storage Costs."

Name

Address

City  State

**A**TALL and husky American beach-comber stepped into the consulate, 5,000 miles distant from the United States. He sat down in front of my desk. Squaring his unshaved jaw and fastening his eye upon my no doubt quailing one, he said with emphasis, "I'm not going to leave this office until you give me a new pair of shoes."

With some weariness—for this man had been calling on me for several weeks—I explained that the consulate had funds available only for American seamen.

"Well, believe me," he retorted, "you'll give me new shoes before I leave your office!"

So saying, he took off one of his heavy shoes—well-worn, I admit—and threw it the 20 feet between him and the window behind me. It sailed beautifully through the window and out into one of the city's main thoroughfares.

He took off his other shoe. "Remember," I gently bade him, "people are walking outside."

Considerately he crossed to the window and dropped out the other shoe. Then he returned to the chair by my desk, removed his socks and pitched them out of the window.

"Now," and he settled back in the chair, "when I get a new pair of shoes I'll go."

I called one of the native office boys to me and in his language requested that he send for the police. In ten minutes my visitor no longer sat opposite me.

### Future of a Consul

**T**HIRTY-THREE years hence, in A. D. 1959, a bald-headed man will sail from a foreign country for the United States. He will be a newly retired consular officer returning to Chicago to spend his remaining years, if any, on a government pension.

That preposterous old man will, incredibly, be I.

According to tradition, I ought rather to wait until that distant period of perpetual leisure and dyspepsia to indulge in memoirs. But perhaps that old man will be content to sit by a chimney corner (though heaven only knows where he will find a chimney corner in Chicago in 1959), unwilling ever again to push a pen or a typewriter.

Like Lot's essentially sensible wife, I prefer to glance behind me occasionally to avoid the possibility of reaching the end of my road, and then, looking back for the first time, discovering that it has been the

wrong one all the way. And perhaps this review may assist some young men—and even some young women, for there is now an American girl vice-consul at Amsterdam—in planning their careers.

### Appointment by Merit

**I**N JULY, 1920, I sailed for Japan on the *S. S. Nile*. Before sailing there had been at Washington a little matter of examinations (prospectus on application to the Secretary of State), for political influence in our Foreign Service is fortunately a thing of the dead past.

My career began as a *wonk* at the American Embassy at Tokyo. *Wonk* is a Chinese word for dog and is employed affectionately by the Department of State when referring to student interpreters. My sole duty the first two years was the study of the language, carried on with private tutors and wide-awake dictionaries.

They were a delectable two years. Six months of that time I retired to a small native

inn in a little fishing village. There I met only Japanese. And whenever I glanced up from my books, as I sat on the floor, I saw, beyond the narrow strip of blue bay, Mount Fuji, one of the few things of this world which is as good as advertised.

My close friends were the village barber, a young fisherman, and the son of the innkeeper. Only last year one of them traveled 800 miles to visit me. Was it really affection? I think so, in spite of the fact that at the time he also tried to borrow 5,000 yen from me.

At the end of two years I was subjected to horrific examinations in conversation and speechmaking as well as in reading and writing those maddening Chinese characters which the Japanese unwisely borrowed from their neighbor. Then I returned to Chicago on furlough, was made a vice-consul at Kobe, then a consul at Nagasaki, experienced the aftermath of the Big Earthquake, a trip to Manchuria and Peking, and last, a second furlough divided between Europe and the United States.

At the present moment I am aboard a freighter, jogging back toward Japan. To the north lie the Aleutian Islands and to the west two years more of service before I again see Michigan Avenue.

These lazy days on shipboard, interrupted only by the mess-boy playing the Chimes of Gormandy thrice daily, are an





excellent time to glance back along the road traveled.

One day a slim and handsome young man in yellow gloves and spats stepped into my office and, seating himself, began, "You may remember me. I am a member of that American vaudeville show that has been performing here the last few days. The darned show has gone on to Australia and left me behind without any money."

"What was the trouble?" I asked.

"My act was to get out of handcuffs and a coffin. A few days ago they wanted me to stand up before the dagger thrower when his wife got too sick to take part in the act. I told them I didn't join the show to have any one throw daggers at me and maybe put me in a coffin I'd never get out of. So they ditched me. And now I want to get back to the States."

I explained that I had no money with which to help him.

"That's all right," he said, "but I know a girl back in Utah that thinks an awful lot of me. If you'll let me have enough money to cable to her for a hundred dollars, she'll send it."

"A cable," I explained, "costs over a dollar a word. So please make it short."

With a pencil, paper, and considerable labor, he finally evolved this "snappy" request, of which the address alone made seven words:

Mary .....

.....

Honey for gods sake send a hundred dollars quick show gone broke

Chick.

Something more than twenty dollars.

"Can't you make it shorter?" I pleaded.

"No, sir; every word is important."

#### A Fruitless Message

REGRETFULLY I cut out the heart-throb of the message and sent it in code to the department, to be forwarded to the affectionate young woman.

Chick and I waited days. No one hundred dollars.

Chick and I waited weeks. No one hundred dollars.

"I can't understand it," Chick daily groaned across my desk, "'cause I know she sure thinks a lot of me."

Finally Chick was signed on a ship for Seattle as an able-bodied seaman.

A fortnight later I received an instruction from the department stating that a letter was enclosed as of possible interest to me. It was from Mary and read:

Secretary of State:

Why should I send a man who I barely know money. Why should I give a hundred dollars to a man I have only met two in my life. If I want to help anyone I would orphans and not a man able bodied and twenty-eight years old and please dont ask me to pay for the message for he isnt any more to me than stranger.

He has a father in Montana to ask for money instead of a working girls pay.

Hoping this don't occur again,

Mary .....

There, in the incidents of the beach-comber and of Chick, is one of the charms



## What angle of your business are you going to watch closest in 1927?

It would be a good thing for your business—and for you—if you would leave your desk once in a while, in spirit at least, and regard your business from the *outside* point of view.

Things often look very different when you stand outside and look in. Little things seem more important. Impressions count for more.

And why shouldn't they? Your customers and your prospects know only what they see and hear, and they gauge a product pretty much by the way it tries to reach them. Every letter that makes contact with the public ought to be strong and attractive and expressive of integrity and honorable business dealings.

*The next time you need stationery, checks, invoices, or statement forms, ask for estimates and specimen sheets of Crane's Bond No. 29, with envelopes to match.*

## Crane's Bond

A 100% NEW WHITE RAG BUSINESS PAPER

CRANE & COMPANY • DALTON, MASS.





## Most chair backs are useless—

IF YOU want to see something that will puzzle you, begin today to observe the number of workers who sit away from their chair backs. Might as well sit on a soap box. Improper posture causes a telling strain upon internal organs. Fatigue and poor work result—not to mention serious ailments. One of the greatest drags upon alert production today is the worker who is "chair tired."

Through actual tests we have proven to executives of many of the world's largest business institutions that correct posture, as induced by Do/More Health Chairs, adds immeasurably to the alertness and efficiency of seated workers. What these chairs will do for your business by giving you healthier workers, awake day in and day out, and consequent better production, can be definitely shown to you before you buy. Write for full particulars.

DO/MORE CHAIR COMPANY  
Dept. 101 Elkhart, Ind.



Mail this coupon

Send me information on the patented health principle of Do/More Health Chairs and how to adjust chairs properly to the individual requirements of each seated worker. Please attach to your letterhead.

DO/MORE HEALTH CHAIRS  
they brace you up

Name.....  
Street.....  
City, State.....

of this life—perpetual variety, infinite humor, and possible physical danger.

It was worth six years of "exile" to meet Princess White Cloud, who reached Japan with an American show, billed as a genuine Indian princess. One night she had had too many gin slings. She tried to stand on her head in a rikisha. Her wig came off, revealing an American negress.

To one who enjoys sprinkling his conversation with such phrases as: "When I entertained the Prime Minister of Yucatan at dinner last week" or "As Madame Coloratura said to me at luncheon the other day" or "As I told the President of the United Banana Corporation of Evanston last week," the consular service offers much. The great and the less great pass through the ports of the world. Not only do consular officers find their lost baggage and listen to their complaints of cinders in the eye and thieves in the hotel bedroom, but interesting personal contacts are formed.

I remember my first conversation with a rather prominent American woman. I had just entered the office one morning when the telephone bell rang. I answered. A lady's distraught voice cried, "Please find my husband at once and send me a doctor." I imagined a lovely female swooning in the agonies of death beside a bed telephone.

"Who and where are you?" I asked, fortunately before the lady had hung up the receiver.

"I am the wife of ———," and she mentioned a man of some rank, . . . "and I am at the ——— Hotel. Hurry." Click.

I raced to the nearest doctor's office and saw that he deserted his waiting patients and rushed away in his automobile toward the hotel. Nearby was a car with a chauffeur. I jumped into it and ordered the driver to take me to a certain office where I thought the husband might be. I was wrong. Eventually I found him aboard a ship at the furthest of the city's docks.

### A Patient Suddenly Cured

I PREPARED him as best I could, and then the car rushed us across the city and up the hill where the hotel stood.

I told the now tragic husband that I would wait in the lobby in case I might be of further assistance.

Five minutes later the husband reappeared, a sheepish grin on his face.

"Last night," he said, "my wife was reading in your local paper of a case of sleeping sickness in the city."

"When she woke up this morning (she did not go to bed till three) she believed that she had sleeping sickness, too. But the doctor says that there isn't a thing the matter with her except that she needs more sleep. Sorry." And all that.

I returned to the car, drove back to the place where I had leaped into it, found an irate owner prancing on the curb, pacified him, returned to the consulate, and resumed my duties at the office.

But not only is there continual spice in the office; there is more.

### Curious Life of Consuls

HOW MANY bond salesmen and realtors are there in the United States, to mention only two of the correct careers for young Americans at home today? Tens of thousands. In the entire world there are fewer than five hundred and fifty American consular officers; in Japan, fifteen.

We escape "the deadly anonymity of modern life."

I had taken a certain young lady to two tea dances at a local hotel. Nothing more. From a city 300 miles distant there arrived

a silver bonbon dish addressed to Mrs. Laurence Salisbury, with a card of marital felicitations.

If one of us takes sugar in his tea instead of the customary lemon, it is discussed the length and breadth of the empire by the resident Americans and Europeans. And before the report has traveled very far "snow" has probably been substituted for sugar.

Our actions add

zest to the gossip of the ladies' teas from Clique A to Clique Z.

It is true that it is hard at times to live away from America, especially when the football season is on or when some new show is being lauded by the New York critics.

But there is this consolation: absence whets our appreciation of our native country, and the visit of two or three months every two or three years has crammed into it as much keen pleasure and delight as come to the stay-at-home American during the whole year. The furlough rarely contains for us a dull day or a boring evening.

In the consular service in Japan we have the pleasures of two civilizations. In our homes and in the foreign settlement there is Occidental life: American movies, American or Continental hotels, dances with jazz bands from frequent American ships, all the magazines from America, including Philadelphia, tennis, orthophonic victrolas, new books.

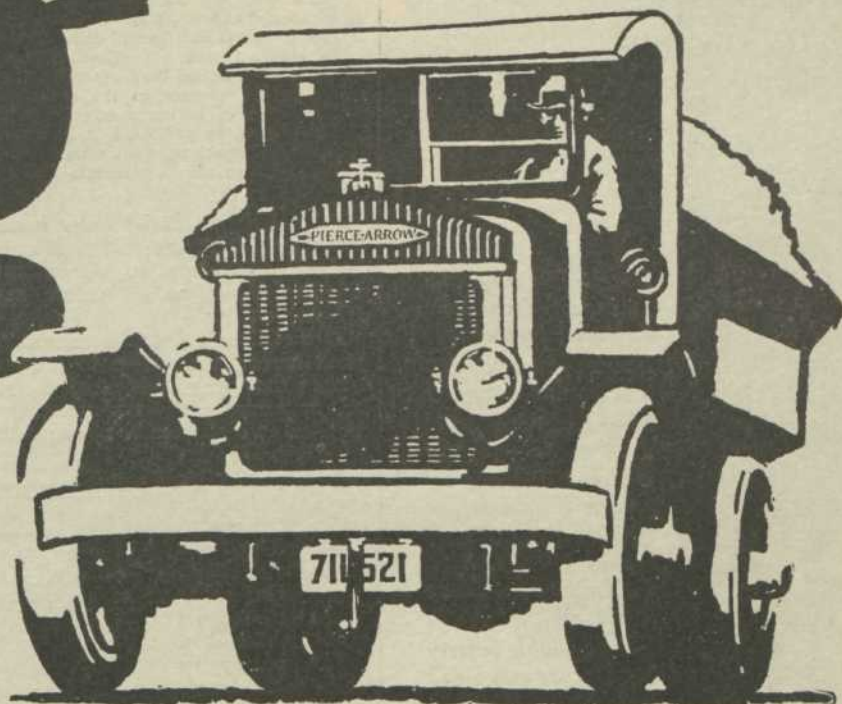
Outside the settlement there are temples, geisha, golf, Japanese hospitality, curious adventures.

Our salaries may be meager and we may return from each furlough in America absolutely flat, but, besides the pleasures of the life, there is the satisfaction of knowing that we are not only helping Americans at home and abroad but that we are doing our best to create cheery relations between the people of our home country and of the country where we are stationed.





**Big**  
in  
**capacity**



*big in power*  
*overshadowingly big in value*

---

THE PIERCE-ARROW MOTOR CAR COMPANY  
Buffalo, N. Y.

**\$3500**  
and up for chassis,  
f.o.b. Buffalo, N.Y.  
Sizes: 2, 3, 4, 5,  
7½ tons. Six-cyl.  
in-line Motor Bus  
prices on appli-  
cation

*Terms if desired*

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**Pierce-Arrow**

*Dual-Valve · Dual-Ignition*  
*Worm Gear Drive*

**MOTOR TRUCKS**



## Recent Federal Trade Cases

Copies of the Commission's complaints, respondents' answers, and the Commission's orders to "cease and desist," or of dismissal may be obtained from the offices of the Federal Trade Commission, Washington, D. C., without charge by reference to the docket numbers. Transcripts of testimony may be inspected in Washington, or purchased at 25 cents a page from the official reporter, whose name is obtainable from the Commission.—Editor's Note.

**A** CEASE and desist order issued by the Commission directed a Minnesota coal dealers' association to discontinue certain practices found to be unfair methods of competition.

It was found that the respondents combined among themselves to prevent certain dealers that they considered to be "irregular" or "snowbirds" from obtaining sufficient supplies of coal from shippers and in so doing circulated false and disparaging statements concerning the equipment and business methods of these "snowbirds."

The respondents also published a trade paper in which false, derogatory and damaging reports were made concerning the quality of coal handled through the so-called irregular channels. It was further found that when shippers refused to assure the respondents that they would refrain from selling to these "irregulars," such information was supplied to the paper.

According to the findings, the respondents considered as "regular" the retail dealer who operates a coal yard, has a set of scales, keeps an office open during regular business hours with a clerk to wait on customers, has storage capacity, carries a stock of coal commensurate with the needs of his community, and is regularly engaged in the retail coal business. Further, the respondents consider sales by shippers direct to consumers as regular only when the consumer is a steam plant located on a railroad track and uses 300 or more tons of coal a year.

The respondents incorporated in 1915 as a corporation, not for profit, and have had a continuous existence since that time though in 1924 the name was changed. Membership is limited to retail coal dealers doing business in the states of Iowa, Minnesota, North Dakota, South Dakota, Nebraska, Kansas, and Missouri. According to the findings, the purpose of incorporating was to escape the legal liability attaching to individual membership in an unincorporated association in the event of prosecution by federal authorities.

The actions of the respondents, the Commission found, constitute a combination and conspiracy to restrain the trade of competitors of the respondents' subscribers, of consumers seeking to buy at wholesale, and of producers and wholesalers selling to such competitors and consumers. (Docket 1145.)

**A** RETAIL furniture dealer of Lancaster, Pa., is directed by the Commission to discontinue the practice of advertising and selling as "Mahogany" and "Walnut" articles

of furniture composed wholly of woods other than mahogany or walnut.

The Commission's order reads in part:

... do cease and desist from advertising ... or selling any article of furniture as "Mahogany" or "Walnut" unless all parts of such article of furniture which are exposed to view when the piece is placed in the generally accepted position for use are made of mahogany wood or walnut wood, as the case may be. (Docket 1357.)

**A** NEW YORK concern is directed to discontinue the practice of advertising and selling its women's hat bags as "Patent Leather," "Patent Leather Material" or "Patent Leather Fabrics."

According to the findings, the bags are made of a cloth coated with a black shiny surface but are not patent leather, and when described as above have the tendency to mislead and deceive the purchasing public. (Docket 1363.)

**A** CORRESPONDENCE school in Philadelphia has been directed by the Commission to discontinue certain misrepresentations in the marketing of its correspondence course in business management and administration.

According to the findings, the respondent, through its advertising and agents, represented to purchasers that the school occupied an entire building and was a large institution and that the course was conducted under several different departments such as "The Department of Managerial Control," "The Department of Accounting and Finance," "The Department of Sales and Commerce," and others when, in fact, the school occupied but one room in a building and furnished only one course of study which was the course in business management and administration.

It was also represented that the respondents had a large faculty when, as a matter of fact, it had no faculty, but the course was conducted entirely by a secretary and two or three stenographers and clerks.

Further, according to the findings, the respondent advertised and represented that the regular price for the course was \$75.00, when, in fact, the course was always sold at prices ranging from \$22.40 to \$24.80, the prospective pupil being deceived into believing that the reduction in price was made in consideration of a letter being written giving an opinion as to the merits of the course.

The Commission ordered that these practices be discontinued. (Docket 1359.)

**THE COMMISSION** recently stated that its announcement of November 2, 1926, rescinding its approval of Rule IX of the Resolutions of the Creamery Industry adopted at Omaha, Nebr., in 1919, had been vacated; and the approval of the Commission of said rule restored except as to the first clause of the rule, reading as follows:

that the purchasing or offering to purchase,

*Douglas Fir has a greater variety of industrial uses than any other wood.*

*Imagine a species that will produce either:*

*Huge dredge spuds, 28" x 28" x 80', for the American Brown-Boveri Electric Corporation, or Sash and frames for the Stevens Hotel, Chicago, the largest hotel in the world, or*

*Tough, pliable battery separators only 1-32" thick.*

## Durable Douglas Fir —an industrial wood

**A** AMERICAN industry will always be able to use Douglas Fir. West of the Rocky Mountains is more timber that will make lumber than all of the lumber that has been manufactured in the states of Maine, New Hampshire, Vermont, Massachusetts, New York, Pennsylvania, Michigan, Wisconsin and Minnesota since the Revolutionary War.

The greater portion of this enormous forest wealth is concentrated in the Douglas Fir forest of the Pacific Northwest — America's permanent lumber supply — where natural reforestation provides future lumber quickly.

Douglas Fir has nation-wide distribution and may be obtained from your local lumber yards. Simply ask for it by name.

*May we send you this book?*

WEST COAST LUMBER BUREAU,  
5562-D STUART BUILDING,  
SEATTLE, WASHINGTON

Please send me your free book on the uses of West Coast Woods.

Name \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_

Important West Coast Woods — Douglas Fir . West Coast (Sitka) Spruce . West Coast Hemlock . Western Red Cedar



When writing to WEST COAST LUMBER BUREAU please mention Nation's Business



# Feet for Shoes

or



## Shoes for Feet?

No one motor of standard type and design will operate a number of different electrical appliances equally well—any more than one shoe can be made to fit all feet. Somewhere, something is bound to “pinch”.

This illustrates the principal difference between Domestic motors and ordinary fractional horsepower motors. Domestic builds nothing but *special* motors—adapting design and modifying features to the actual conditions of service—instead of asking the appliance manufacturer to accommodate his product to the specifications of a stock motor.



For protection from overload - the Domestic Automatic Safety Switch

In the past 13 years Domestic has de-

signed and built more than fifty different motors for as many special jobs—industrial, household and commercial.

The experience of users has demonstrated the soundness of this Domestic policy. Not only have Domestic motors displayed superior efficiency in operation, but the almost total absence of ordinary service troubles is unique in the industry.

Domestic Electric salesmen, each a trained service engineer, are always available for consultation to anyone who has a problem involving fractional horsepower motors in the manufacture, sale or servicing of electric appliances.

THE DOMESTIC ELECTRIC COMPANY  
7209-25 St. Clair Ave. CLEVELAND, OHIO  
Manufacturers of fractional horsepower motors exclusively (87)

# Domestic Electric Motors

When writing to THE DOMESTIC ELECTRIC COMPANY please mention Nation's Business





## The amount of Parcel Post grows daily

THE increasing volume of merchandise transported via parcel post increases the chances of damage and loss. Despite the best efforts of the postal authorities, accidents happen. North America Parcel Post Insurance will give you needed protection against theft, damage and other perils of transportation. Buy a North America Coupon Book (sold in various convenient amounts) and insure each package as you wrap it. Send the coupon below for full information.

### Insurance Company of North America

"The Oldest American Fire and Marine Insurance Company"

Insurance Company of North America  
Sixteenth Street at the Parkway  
Philadelphia, Pa., Dept. N-1

Name \_\_\_\_\_  
Street \_\_\_\_\_  
City \_\_\_\_\_ State \_\_\_\_\_  
Wants information on Parcel Post Insurance

Founded  
1792



dairy products at prices not warranted by market or trade conditions, or;

to the end that the said rule, as approved, shall read as follows:

*Resolved*, That paying higher prices to one class of shippers or sellers than to another, or the paying of different prices at different points at the same time, except differences occasioned by freight rates and quality of the commodity bought, or differences made in good faith to meet fair competition, as distinguished from price discrimination, intended to or having the effect of the creation of a monopoly, is hereby declared unfair.

C. W. HUNT, of Iowa, has been chosen chairman of the Federal Trade Commission for the ensuing year. This action was taken in pursuance of the Commission's plan of rotating the chairmanship each year. Mr. Hunt was appointed to the Commission June 16, 1924, and at the time of his appointment was president of the Iowa Farm Federation Bureau.

## Splitting a Billion

ONE BILLION one hundred and forty million will be the approximate gross income of the daily newspaper publishers of the country for this year, according to *Editor and Publisher*. This figure represents a 10 per cent increase in revenues, but the larger volume of business has driven expenses up 12 per cent.

Daily and weekly newspapers will have consumed about 3,500,000 tons of newsprint by the end of 1926. Daily and Sunday papers will consume about 2,500,000 tons, the rest being taken by weeklies and other smaller users.

Advertising lineage has increased about 8 per cent, but for every column of advertising a column and a half of news or feature has been added.

Most papers now run a page of pictures, for which prices have almost doubled in the past year.

It is interesting, though, to see how this money is spent. The paper manufacturer will get about \$162,500,000, and the railroads will get \$10,000,000 for carrying the newsprint.

The ink makers will take \$1,500,000.

Compositors, pressmen and other mechanics will receive \$175,000,000, though the front office will get only \$160,000,000. That is in spite of the fact that a good reporter now gets nearly as much as a good compositor; editors, copy-readers, reporters, and correspondents will get \$15,000,000 less than the back office.

Editorial department expenses, including press service, special leased wires, features, telegraph and telephone, and other incidental expenses, will take \$70,000,000.

The advertising staff and special national representatives will cost publishers \$75,000,000. Commissions to advertising agencies will amount to about \$45,000,000, with \$6,000,000 more for cash discounts.

Getting, distributing and holding circulation, including the operation of motor vehicles and interest on the purchase of new equipment, will approximate \$160,000,000.

General administration, including for the purposes of this survey, taxes, all promotion work and interest on the construction of new buildings and the purchase of new equipment, will account another \$160,000,000.

What remains—about \$115,000,000—represents the profit to the 2,000 daily newspaper publishers before federal taxes. It is about 10 per cent on the turnover for the biggest year's business in history.

Whenever your voice gets tired—  
and your throat is husky and dry  
take a  
**LUDEX'S**  
—millions do

Throats, vocal organs, breathing apparatuses—they all work hard to keep up with the times.

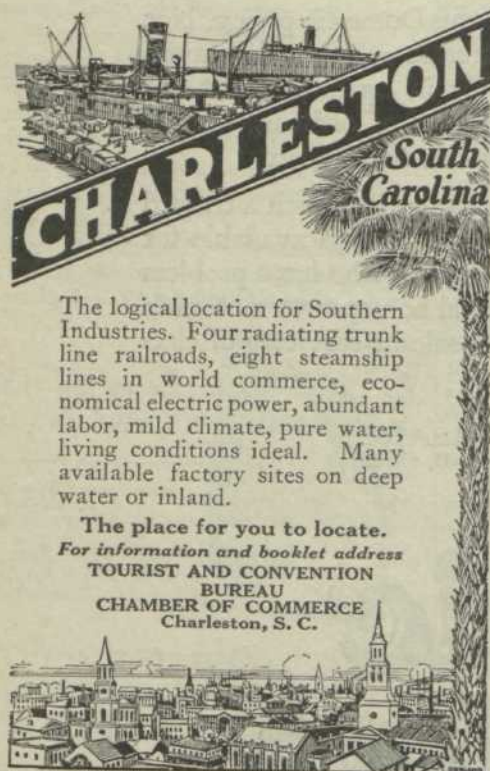
Sales talks, radio talks, lectures, sermons, singing, acting—then there is the weather, the dust, the fumes of traffic—and smoking too much—no wonder throats get husky, voices hoarse and coughs develop.

That's why millions of throats are grateful for Luden's Menthol Cough Drops. The exclusive menthol compound brings such prompt relief.

In the yellow package 5¢ everywhere

The logical location for Southern Industries. Four radiating trunk line railroads, eight steamship lines in world commerce, economical electric power, abundant labor, mild climate, pure water, living conditions ideal. Many available factory sites on deep water or inland.

The place for you to locate.  
For information and booklet address  
TOURIST AND CONVENTION  
BUREAU  
CHAMBER OF COMMERCE  
Charleston, S. C.





# What NEXT will be



*Just one  
year ago*

WHAT housewife dreamt of cooking utensils that would not rust, stain, or tarnish? Or, oven linings always easy to clean and lasting a lifetime? A year ago Stainless Steel stood for spotless, shining table cutlery—and little else.

But now . . . the golfer rejoices in irons that will not rust, tarnish, or nick; the hunter, in gun barrels that will not pit; the mechanic, in tapes and rules that neither rust nor wear. Valve fittings, auto parts, and household utensils, too. Truly, a remarkable achievement for twelve short months!

And yet . . . only a slight beginning has been made . . . a few surface

nuggets picked up . . . when Stainless Steel's endless possibilities are considered. Limitless opportunities for product improvement lie unexploited . . . a rich mine for manufacturers and consumers . . . inexhaustible as the ocean.

Here is the metal sought for centuries—the very culmination and crown of the Steel Age. Stainless Steel—a super metal—endowed with the gleaming beauty of silver, the incorruptibility of fine gold . . . retaining, in overflowing measure, the native virtues of steel . . . hardness, toughness and strength.

Products improved with Stainless Steel attest the maker's effort to give you the utmost in beauty, serviceability, and strength. The words "Stainless Steel" are hallmarks of honesty—certificates of progressiveness. They will appear on scores of new products in 1927. Watch for them.

STAINLESS IN THE HOME, an interesting booklet about the uses of Stainless Steel, and STAINLESS IN INDUSTRY, a booklet for manufacturers, will be mailed free on request. Shall we send you either of them?

## STAINLESS STEEL

Genuine Stainless Steel is manufactured only under the patents of the  
AMERICAN STAINLESS STEEL COMPANY, COMMONWEALTH BUILDING, PITTSBURGH

When writing to AMERICAN STAINLESS STEEL COMPANY please mention Nation's Business





## If Every Executive Knew

how inexpensively his plant can now be painted, few properties would suffer from lack of paint.

Millions of dollars lost by deterioration of buildings would be saved. Better, lighter and more sanitary working conditions would increase operating efficiency. Maintenance costs would be cut so low that the matter of repainting expenses would no longer be discouraging factor.

Paint applied by the Binks Spray Gun method saves 60% to 80% of the cost of painting. Any fair workman in your plant can operate a Binks Portable Spray Outfit. One man, without previous experience, spray painted 1,000 square feet the first hour. Spray painting can be done without interfering with the regular routine of your business.

The small investment of a Binks Portable Spray Painting Outfit enables every owner of business property to own one. He can then maintain his property as he desires.

*Write for Details Today*

Write for our Bulletin on industrial maintenance. The facts will prove interesting and worthwhile. Write today.

# BINKS SPRAY EQUIPMENT COMPANY

Dept. A, 3128 Carroll Ave. Chicago, Ill.  
Established 1898—Offices in Principal Cities

Manufacturers with a product finishing problem can profit by the recommendations of our engineers. Binks Finishing Equipment is standardized in many of America's leading industrial plants.



## Chips from the Editor's Work Bench

WYOMING WANTS more grasshoppers.

The state is ready not only to make a truce with its ancient enemy, but to welcome the pest to the Big Horn country. Once the 'hoppers were in numbers to obscure the sun, and to give evil omen to the farmers. The damage to crops was so great that turkeys were brought in to combat the pests. For this warfare the gobblers were gluttons. They routed the 'hoppers from the lowlands and chased them into the foothills. A severe decline of the grasshopper supply would, of course, cut down the crop of turkeys. Turkeys, it seems, prefer grasshoppers.

The value of last year's turkey crop was estimated at about \$250,000. For another measure of the industry's magnitude is the report of J. B. Lamson of the Burlington railroad,

"The great flocks of shining bronze birds are down from the mountains. . . . In some parts of the Basin turkey drives are in



progress. Herds of fowls, often numbering five or six thousand, are driven slowly to the market towns, Basin, Powell, Lovell, Cody, and Deaver—one of the handsomest sights Wyoming has to offer."

That the industry is profitable is well established. And in time it may become picturesque and get into the rotogravure sections—as did that other Wyoming infant, "dude ranching."

Possibly grasshopper preserves will be required to keep the new business going. But the important fact is that the agricultural department of a great railroad had the timely wisdom to make capital of a costly pest.

A HIGHER plane of dependability is attained by the gas industry through agreement of members of the American Gas Association to stop the sale of all gas ranges and flexible tubing that do not bear the approved seal of the Association's testing laboratory. For some time it has been possible to buy household appliances approved by organizations outside the trade—Good Housekeeping Institute, for instance, but the self-propelled action of the industry testifies to an active concern to put its own house in better order.

At a convention in Atlantic City, executives of the gas producing companies, pledging their companies to "combat inferior and unapproved appliances," resolved, among other things, that:

"it is detrimental to the best interests of the public and the gas industry that appliances or tubing not qualifying for American Gas Association standards be made or marketed, and we deplore and disapprove any such practice. . . ."

Of the testing laboratory and its purposes, Alexander Forward, managing director of the Association, said:

"Nothing proves more conclusively the gas industry's desire to excel in the field of public service than the laboratory's foundation. An impartial group of men with broad experience in the utilization end of the gas

business will guide it. The testing staff employed at Cleveland is trained not only in the scientific aspects of the appliance testing business, but in the practical as well. Leading appliance engineers prepare the requirements for construction and performance, and those standards have the approval of interested governmental bodies."

By such deeds are codes of ethics practiced.

GREAT CAREERS are natural argosies in the day dreams of high school boys and girls, though the bright fancies do have a perverse way of settling down to quest of workaday jobs at commencement time. This commonplace bit of philosophy is illuminated with the conclusions of a survey of the occupational ambitions of 25,000 high school pupils in California, Pennsylvania, New Jersey, Delaware, and Maryland. Most of the boys were bent on getting a "gentleman's job."

Probably the results are not representative of the whole country. A canvass of states more thoroughly agricultural might qualify the general conclusion, for farm life no longer signifies drudgery and isolation, and good minds are set on making it more attractive to young men and young women. Even now we have the "gentleman farmer." The survey does no more than fortify assurance that the imagination of youth still leads to lofty pinnacles of fame and fortune out of all proportion to the everyday realities of home. Those romantic hankerings are the part and privilege of adolescence—great expectations that time revises, not necessarily downward, but toward greater practicability.

WHETHER THE automobile is the cause of good roads, or whether the building of better highways invites the increasing number of cars, there is no lack of evidence that the locus of the automobile saturation point continues to vanish, and that highway expenditures continue to expand. At 40,000,000 cars, the saturation point now stands in the calculations of H. F. Kingsley, a Chicagoan. That figure, doubling the present registration, should be reached in fifteen years, he thinks. For foundation he



finds that "more families can afford two cars today than were able to buy one car ten years ago," and that the national income is increasing at the rate of \$2,000,000,000 a year—a whale of a market, as the saying goes, if Mr. Kingsley has his figures on straight.

For highway construction in 1925, the states spent \$649,125,000, surpassing 1924 expenditures by \$43,460,000. Good roads have had a diligent and convincing advocacy. For the most part they are blessings, and are so regarded, but in New York State they seem to make it easy for crop raiders to despoil farmers. Their losses in fruit, vegetables and other products are placed at a million dollars a year by the New York State Farm Bureau Federation. To stop the pilferings a "vigilance" service is proposed. "City motorists" are suspected. Possibly the farmers will dis-



# Not Paper—but THE Paper Designed for Your Use

**M**ANY manufacturers and merchants without knowing it are buying the most costly paper on the market. For paper that is bought by rule-of-thumb, without the buyer making a serious effort to find the paper which has been made for his type of use, often turns out to be just that—the most costly paper you could select. When you pay for qualities in paper you don't really need, or when you fail to look for qualities you really need, you are wasting both paper and money.

Don't be deceived by its looks. Paper is not a simple commodity. Each type and grade we make differs from all the others as shown by the bursting, the tearing, the shearing, the moisture test and others. These differences are important to us because they are important to every manufacturer or merchant who is going to use our paper.

Continental is the largest manufacturer in its field. It makes all types and grades of wrapping paper and bags. But no Continental paper is "just paper". Each Continental brand is offered as the best paper on the market for the particular purposes for which it has been designed. When you select a brand recommended by Continental you are buying a paper specially designed for the purpose for which you are going to use it.

If you have been having trouble with paper which bursts, tears, bleeds, or fails you in any way, write direct to our laboratory. You will find that Continental makes or can make the paper you need.

<b>Manufacturers —General</b>	For the Packing and Shipping Departments; RUMFORD and CONTINENTAL KRAFTS, TRIUMPH MANILA, GRANT EXPRESS SCREENINGS, and other branded kraft and sulphite papers. For the Sales and Sample Departments: Wrapping tissues, Continental merchandise and mailing envelopes in stock forms or special designs, printed to order.
<b>Manufacturers —Package Goods</b>	Continental's laboratory staff of experts design wrappings, bags, sacks, liners, and containers adapted for the merchandising of a variety of packaged articles. Printing by Continental.
<b>Manufacturers —Special</b>	Paper, including tissue, is a raw material used in the manufacture of celluloid; wicker furniture; articles of clothing such as shoes, hats; wall and floor coverings; and vulcanized fibre products. As an insulating material, paper enters into the manufacture of electrical apparatus, telephones and radios. If you use paper as a raw material ask to see the Continental line.
<b>Department Stores</b>	Trade marked, process-marked and decorative papers which give a uniform and distinctive wrapping service. Wrapping tissues, counter envelopes, all types and colors for all purposes. Toilet and tissue papers including NAPOLIN; paper towels, paper napkins, and KREEM-OFF facial cleansing tissue, for resale.
<b>Grocers</b>	DOREE, GLAZO and AMERICAN KRAFT papers. GOVERNOR, SILVER STRIPE, ROCK KRAFT, SUCCESS, BLUE BONNET, Grocer Bags. Continental duplex coffee bags, plain or printed. Toilet papers including NAPOLIN.
<b>Bakers</b>	GLAZO paper. Continental Glassine bags. BON TON and BELVEDERE Baker Bags.
<b>Hardware</b>	GOLDEN EAGLE, RUMFORD KRAFT papers. ANVIL KRAFT Hardware Bags.
<b>Laundry</b>	VELVET, PARQUET, LUXOR STRIPED papers. Continental Glassine bags for Shirts and Collars.
<b>Drug Stores</b>	DRUGLAZE paper. Continental confectionery bags. Printed merchandise envelopes. Toilet and tissue papers for resale, including NAPOLIN: KREEMOFF.
<b>Candy Trade</b>	Continental confectionery bags in plain, decorated, or embossed papers. Continental glassine bags and tubes.
<b>Meat Merchants</b>	FLAMINGO, GREEN BAND, KANT LEAK papers, ROCK KRAFT, GOVERNOR, BLUE BONNET, SILVER STRIPE, SUCCESS bags.
<b>Publishers</b>	Continental envelopes, specially designed and printed for mailing magazines, booklets, etc.

The better paper wholesalers throughout the country carry the complete Continental line.

**CONTINENTAL PAPER & BAG MILLS CORPORATION**



FOREMOST SPECIALISTS IN  
WRAPPING PAPER AND BAGS

Executive Offices - - 100 East 42nd Street, New York  
11 Mills—28 Branches—3 Printing Plants—and Experience



## WHEN POWERS PREPARES YOUR PAYROLL—



*This card produces*

	CLOCK NUMBER		HOURS		EARNINGS		TOTAL
	DEPT	MAN	STRAIGHT	OVERTIME	STRAIGHT	OVERTIME	
GEO DAVIS	12	137	35	3	35 00	4 50	39 50
JAMES DONEGAN	12	138	425	132	33 12	19 80	72 92
HARRY FURMAN	12	139	40		36 00		36 00

And that's a complete story.

The Powers Alphabetical Tabulator prints the employee's name and clock number directly from his "name-control" card, and at the same time automatically controls the recording of all the other payroll data punched in his time cards. This is done for each employee, and as required it accumulates for each department the total of straight time, overtime in hours and amount with deductions and net amount due.

But that isn't all.

You immediately require labor cost distribution, income tax data, personnel statistics, etc. You can get them instantly. Just run these same time cards through the Powers Mechanical Sorter and automatically select the combinations you desire; the Powers Alphabetical Tabulator will then accumulate and print the results in completed form showing detail and totals of each job, operation, department, machine or whatever other information you want to analyze.

Powers Mechanical Accounting Machines give you instant access to all the facts of your business. They analyze it mechanically, accurately and promptly at a fraction of the cost of clerical labor.

Powers has proved this proposition through hundreds of installations. May we send you the complete story in bulletin form?

**POWERS ACCOUNTING MACHINE CORP.**

115 Broadway, New York City

**PRINTS NAMES AND WORDS AS WELL AS FIGURES**

cover that the truckloads of purloined potatoes, apples, and corn come to city markets from the country. It is hard to believe that even the most predatory townsman has facilities for that sort of agricultural relief.

TO THE TREMENDOUS job of damming the continual flow of questionnaires are now directed the able minds included in the American Engineering Council. That there are too many questionnaires all business men are agreed. Unnecessary inquiries only serve to wear out the welcome for those that are necessary. By way of bearing witness to the burden of these demands for information, the National Association of Manufacturers complains that some of its members have to provide as many as a hundred returns a year. To determine the cost of making all the reports would, of course, require another questionnaire, or perhaps a series, but, peace to a hard-worn patience, a suggestive measure is at hand in an instance cited by Mr. Hoover, "a low estimate of the cost to the citizen of making the returns would be \$50,000,000 in bookkeeping alone." Well, if the



engineers can stem the seepage of presumptuous inquiry, they will have outdone the wonders of Ashokan and Keokuk.

"Statistics prove it," is a beguiling shortcut to any desired conclusion in this restless age, and the statistician is a mighty man. To him the questionnaire is meat and drink. And where the bureau, state or federal, that does not humor his hearty appetite? Suggestive of the number of his ministers is the number of persons now in the civil service of the Federal Government, and of the state and local governments in the United States—between 2,500,000 and 3,000,000 by report of the conference committee on the merit system, published by the National Municipal League.

It may be that the lust for official inquiry is pathological; it may be that "there is something in the blood of a bureau clerk that makes his eye light with desire at the prospect of devising a new questionnaire." But more certain it is that not even a good head for figures can calculate the consequences of a continuous bull movement in questionnaires.

IT IS just barely possible that all the excellencies of this world are not to be found outside America, though our foreign-minded critics continue their carping clamor of knowing better. Doubt of their judgments is raised by the announced intention of Sir Thomas Beacham, English impresario, to come to the United States to live, and by a terse approval of our city planning attributed to Queen Marie.

As reason for taking ship to these shores, Sir Thomas gives his belief that England is making no progress in music and that America is going forward. As reported from Long View, Washington, the Queen said,

"You certainly do things right over here. You plan a city and then build it. Over in Europe we just stick things together and make a mess of it."

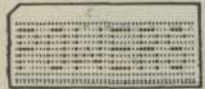
Of course Sir Thomas, if he comes, will have to discover the facts for himself, but

### ADAPTATIONS

Powers equipment is in general use wherever such work as this is done:

Payroll and Labor Distribution  
Material and Stores Records  
Sales and Profits Analysis  
Insurance Accounting and Statistics  
Public Utilities Accounting  
Census and other Vital Statistics  
Traffic and Transportation Accounting  
Chain Store Sales and Inventories  
Federal, State and Municipal Accounting  
General Accounting

Reg. U. S. Pat. Off. and  
Foreign Countries







# LOS ANGELES County

## .....the Western Market Center

—serves a market of ten million consumers West of the Rockies, at lower average freight costs than they can be served from any other point on the Pacific Coast. An immediate market of two and one-half million consumers within 100 miles.

AS AGAINST the handicaps of high freights, long hauls, and slow deliveries which his Eastern competitors must face, the manufacturer in Los Angeles County has at his very door the greatest concentrated buying power in the West; 45 municipalities in Los Angeles County alone, 17 of them with over 10,000 population each; this in addition to the great tributary market of the 11 Western states which is his to command.

The Panama Canal, with low freight rates, brings Los Angeles nearer to New York than is Columbus, Ohio.

Fastest growing Pacific port, second only to New York in total ocean-borne commerce. Direct weekly sailings from Los Angeles to trans-Pacific markets via Dollar Line and direct to Honolulu via Los Angeles Steamship Company line.

The markets of the Orient and of South America are accessible thru Los Angeles Harbor at rates as low as or lower than rates from any other point in the United States.

Specific information regarding manufacturing opportunities and distribution advantages in Los Angeles County may be had by addressing the Industrial Department of the Los Angeles Chamber of Commerce.

### PLAN A TRIP

Plan now to make a combined business and pleasure trip to Southern California this winter. See and study at first hand the industrial opportunities of Los Angeles County and its great tributary markets.

### Contented LABOR

Freedom from industrial strife. Open-shop community.

### Cheap, Unlimited POWER

Large blocks of power as low as .72 of a cent per K. W. H.

### Abundant WATER

As low as 11¢ per 1000 gallons, obtained from cities and utilities, and 2½¢ per 1,000 gallons obtainable by private wells.

### Cheap FUEL

Gas at 20¢ per million B. T. U.'s—oil 16½¢ per million B. T. U.'s.

### Low BUILDING COSTS

Less plant investment required. No extreme weather conditions to combat.

### Adequate TRANSPORTATION

Terminals of three transcontinental railroads, a unique electric interurban system of 1100 miles, harbor served by 147 steamship freight lines.

### Efficient PLANT OPERATION

100% plant efficiency 365 days in the year.

### Proximity to RAW MATERIALS

A great variety of products from the soil; vast mineral resources, both metallic and non-metallic; water-borne raw materials from foreign lands.

# INDUSTRIAL LOS ANGELES

The Los Angeles metropolitan area embraces practically Los Angeles County—over two million population with 5700 industries whose annual output is \$1,250,000,000.



# reasons why you should buy a **BLAW-KNOX BUILDING**

1. **Economy of the Blaw-Knox Method.** No charge for preliminary survey or building plans. Standardized stock sections permit of meeting your specifications for any one-story building.
2. **Saving in Time of Erection.** No construction delays. Your complete building in one shipment, all parts fabricated for immediate assembly. You know the entire cost in advance.
3. **Lowest Cost Per Year Service.** Factory made, with no waste of material or labor, insures low initial cost; and copper-bearing galvanized steel gives long life and rust protection with negligible upkeep.
4. **Exclusive Protective Features.** No bolt or rivet holes in roof sheets—the usual starting point for rust, leaks and expense. Interlocking expansion joints throughout provide weatherproof stability under all conditions of wind and snow pressure and extreme temperature changes.
5. **Flexibility of Construction.** No loss of value in fixed structures. Blaw-Knox buildings are permanent and, at the same time, portable. Can be taken down and re-erected or changed in shape and size as required.
6. **Ten Years' Roof Insurance.** Blaw-Knox roofs are insured for ten years through a prominent insurance company. This is an unusual practice but one that affords you iron-clad protection.
7. **Time-Tested Quality.** Blaw-Knox steel buildings reduce fire hazards from external sources. Their perfection of engineering detail and quality of workmanship defy comparison.

## **BLAW-KNOX COMPANY** Pittsburgh, Pa.

632 Farmers' Bank Building

CLEVELAND  
516 Union Bldg.

PHILADELPHIA  
Colonial Trust Bldg.

NEW YORK

CHICAGO

BUFFALO

DETROIT

BALTIMORE

BIRMINGHAM



# **BLAW-KNOX COMPANY**

the Queen was on the ground and able to go beyond hearsay. At any rate, we now know that some American music has had good report abroad, and that the ordered development of at least one American city is distinctive enough to win the praise of a civilized queen.

**E**VEN though those private shaving booths set up in Chicago's business district attest anew that roaring city's welcome to change and innovation, they somehow seem surprisingly incomplete. True, they provide hot water, towels, soap and razor for 15 cents, but the pall of silence would be almost deafening to ears accustomed to the interrogative conversation of barber shops. Perhaps the shock of transition to this muted privacy could be tempered by installing phonographs primed with a round of characteristic questions, such as "Haircut?" "Shampoo?" "Sing?" "Tonic?" and the like. The machines, of course, could be shut off at will.

**P**EACEFUL settlements were obtained in 377 of the 551 strikes, threatened strikes, and lockouts, in which the Conciliation Service of the United States Department of Labor used its good offices during the fiscal year 1926. In many other cases employers and representatives counseled with Department commissioners and accepted the judgment and advice of the commissioners on matters of industrial relationship, which possibly might have resulted in serious strikes or lockouts. There is no way of recording the exact results of this important phase of conciliation, but it stands as a useful corrective in restoring satisfactory industrial relations. In defining the purpose of the commissioners, Secretary Davis says:

"The efforts of the representatives of this service are directed always toward the prevention of an open break that stops production, with the consequent loss in wages and profits. They endeavor to have work go on while negotiations are being conducted to bring about a settlement of the existing differences. If this is impossible and a strike or lockout occurs, then their task is to secure a prompt and workable adjustment, having always in mind the interests not only of the employers and the employees but of the public as well."

Despite strikes of magnitude and long duration the increasing use of the Department's resources in behalf of conciliation is encouraging assurance that agitation for higher wages is getting away from force and down to reason. Labor is now sufficiently enlightened to understand that wages are predicated on output, the responsibility of workers, and a cooperative regard for the fundamental requirements of successful industry. When this intelligence is generally applied, there will be no appeal in the bloody shirt and the cry of "robber capitalist."

## **N**EW SIGNS of the Times:

Gas ranges in all the colors of the rainbow appear in the market.

"Cane cream" is produced experimentally from the juice of the sugar cane.

Electric ferry boats operate between Manhattan Island and New Jersey.

The shawl returns to fashion.

"Hot Dogs, Ltd.," is organized to glorify the American "wienie" in Great Britain.

Inch-high heels for men feature shoe styles.

A motor-driven pump carries on the tradition that Minnehaha is a waterfall.

Inside information reveals that brief cases are serving as market baskets.

—R. C. W.





# Exclusive Features of INDIA Tires mean More Mileage for India Tire Users

**A**T A TIME when tire manufacturers generally are not saying much about how their tires are built, we have found it pays to repeat the policy on which this business was founded and from which it has never deviated.

That was "to make the best tire it was possible to make." No effort has been spared to do this. Consequently, the following exclusive features put INDIA tires years ahead of others.

**FIRST**—The Gum-Weld Cushion, replacing cotton fabric breaker-strip reduces friction, overcomes "tread separation" and cushions road shocks more softly over the entire carcass of the tire.

**SECOND**—The 4-6, 6-8 ply construction of balloons and bus balloons plainly is the ideal balloon tire construction. It combines complete flexibility of side-walls with long wear and freedom from puncture.

**THIRD**—The True-Blue (HEAT-PROOF) inner tube is the first to successfully overcome "burning up" of tubes from the high heat of present low pressure, high speed running conditions.

Because of these improvements INDIA tires are giving bus and truck operators as well as individual car owners unusual records of *uninterrupted* mileage.

Sales have grown steadily year after year. But the size of the annual increase for 1926 convinces us more than ever that our policy is right—that there is a keen demand for a really better tire.

## INDIA TIRES

*J. M. Alderfer*  
President



INDIA TIRE & RUBBER CO., AKRON, OHIO.



# TAMPA

Florida's  
Greatest City

## Free of Burdensome Tax Laws

"No tax upon inheritance or upon incomes of any residents or citizens of this state shall be levied by the state of Florida or under its authority."

Never before has any state given such ample protection to wealth and its production. No penalty is placed upon success in Florida.

NOT only are individuals favored by Florida's tax laws, but corporations are equally protected, with the result that a great many new corporations are establishing headquarters in Tampa. A friendly public sentiment must be given consideration when industry seeks a new location, and in addition to this, Tampa offers an ample supply of power and labor, exceptional transportation facilities and good roads that tap a region of varied raw materials and rich diversified crops. Tampa is the center of a great new empire—Southern Florida. It is the one place in Florida that can economically, efficiently and satisfactorily serve this rich new territory, and it is recognized as the financial, industrial and agricultural center of Southern Florida. There is room and need for many new and diversified industries in Tampa, and priority in the rapidly growing territory which Tampa serves is sure to prove an exceedingly valuable asset.

### Key City to America's New Trade Territory

A comprehensive survey of Tampa and Southern Florida will be prepared for interested executives upon request. It will be based solely upon specific up-to-date data, presented from the standpoint of your needs. Please make your request for this survey on your business stationery.

Industrial Department

TAMPA BOARD OF TRADE

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Florida's Greatest City

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## REPRINTS OF ARTICLES

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We will give permission upon request to reprint articles from NATION'S BUSINESS in house organs or in other periodicals.

NATION'S BUSINESS  
Washington, D. C.

# Government Aids to Business

Reports of government tests, investigations and researches included in this department are available (for purchase or free distribution) only when a definite statement to that effect is made. When publications are obtainable, the title or serial number, the source, and the purchase price are included in the item.

THE PREVAILING PRACTICE of washing un-sized coal, one-half inch and finer, to one-eighth inch and finer, on a table is subject to certain limitations which are commonly overlooked. In some instances good results are obtained by this method, but often the opposite is true and the efficiency of the washing operation is low. Although the separation taking place on a concentrating table is not fully understood, the actual distribution of particles of various sizes and specific gravities was determined a number of years ago by ore-dressing investigators. Serial 2755, recently issued by the Bureau of Mines, Department of Commerce, consists of an analysis of an old problem by new methods. The experimental data on which the discussion is based were obtained in the course of coal-washing investigations conducted by the Bureau of Mines at the Northwest Experiment Station in cooperation with the University of Washington and with certain coal operators of that state.

Copies of Serial 2755, containing the detailed results of these studies, may be obtained from the Bureau of Mines, Department of Commerce, Washington, D. C.

IN THE DECEMBER ISSUE, NATION'S BUSINESS commented editorially on the Conference on Market Research held by the Department of Commerce. The report of the conference was received too late to review in detail.

The purposes of the conference as outlined by J. Walter Drake, chairman, were:

To suggest, discuss, and adopt a priority list of fundamental research projects in the field of marketing which have common interest and value for everybody engaged in the field of market research.

To discuss and adopt, if possible, the ways and means of accomplishing these studies.

Mr. Drake limited the discussion to subjects of universal interest, eliminating subjects which pertain to one commodity or group of commodities; subjects pertaining to one function or set of functions; and the Census of Distribution now being undertaken by the National Chamber's Domestic Distribution Department.

In the discussions it was pointed out that there are two types of problems: those that entail a major expenditure of time and money or general research problems, and less expensive and arduous studies by a committee of those present at the meeting. In this second category a committee was named to deal with the problem of modification and extension of fundamental statistical information now issued by federal, state and private agencies.

Recommendations were voted at the afternoon session that the Census of Distribution undertaken by the National Chamber "is basic to any improvement in market analysis, and the conference strongly recommends it as the most essential and urgent work to be done in this field."

The second recommendation was that a committee of the Washington bodies working

on market studies and kindred subjects be empowered to coordinate the work of gathering and analyzing statistics with the work of the Central Committee already voted.

Third, that the Central Committee adopt a priority list of fundamental market research after study of the field.

Fourth, that the Department of Commerce coordinate the work of the two committees.

Fifth, that the Central Committee study the methods of collecting and utilizing statistics.

Sixth, that the members of the conference interest themselves in forming local groups of men interested in market research.

Seventh, that the Central Committee and the Association of Collegiate Schools of Business should cooperate.

Eighth, that the committee shall cooperate with the Department of Commerce to call future conferences on market research.

The meeting also endorsed the Department of Commerce's regional market surveys.

RAPID PROGRESS has been made recently in developing new and improved processes for the mining and manufacture of slate, according to the Bureau of Mines, following a survey of the industry. Such changes in technology are indicative of the present tendency to place the industry on a better basis both as regards processes and products.

Roofing slate, which was formerly manufactured in small independent "shanties," is now produced in many places in large mills provided with power saws, traveling cranes and other labor-saving devices. A pneumatic splitter has also been introduced to take the place of the ordinary chisel and mallet.

Great progress has been made in studies of the physical and chemical properties of slates, the accumulated knowledge thus gained enabling the producers to direct each type of slate to its particular field, and thus constantly to provide more serviceable and dependable products.

Interesting developments that have taken place within the past three or four years in the slate industry are described in Serial 2766, copies of which may be obtained from the Bureau of Mines, Department of Commerce, Washington, D. C.

REVISED EDITIONS of "A Zoning Primer" and "A Standard State Zoning Enabling Act, under which municipalities may adopt zoning regulations" have been issued by the Division of Building and Housing of the Department of Commerce. Copies, singly or

in limited numbers for members of zoning commissions or committees, may be obtained from the Division of Building and Housing. In quantity, they may be obtained from the Superintendent of Documents, Government Printing Office, Washington, D. C., at a very low price.

The "Primer" explains in popular style the methods by which zoning protects property and health and avoids the unnecessary scrapping of serviceable buildings. It was first issued in 1922 and has proved very popular, over 50,000 copies having been sold. Since 1922 zoned municipalities have increased from less than a hundred to more than 450, and the constitutional status of zoning has been upheld by various high courts. The revised issue of the "Primer" takes into account the experience of the last five years and includes a list of zoned municipalities by states.

"A Standard State Zoning Enabling Act"



•••  
*The Development Service of Southern Railway System, Washington, D. C., will gladly aid in securing industrial locations, farms and home sites in the South.*  
 •••



## Under the Southern Sun

First the blossoms, then the fruit—mile upon mile—under the Southern sun.

People of the farm live to good purpose here, for soil and climate work with them. Fruit grows and ripens eagerly, and green vegetables sprout early and stay late—in the South.

The crops of Southern orchards fill a third of America's yearly fruit dish, and a quarter of our national vegetable supply comes from south of the Ohio and the Potomac.

Each year the demand for Southern fruit and vegetables grows—the national consumption of fruit increases about 14% a year, the population only 1 ¼%. And each year Southern farmers profit by satisfying the taste of an appreciative nation.

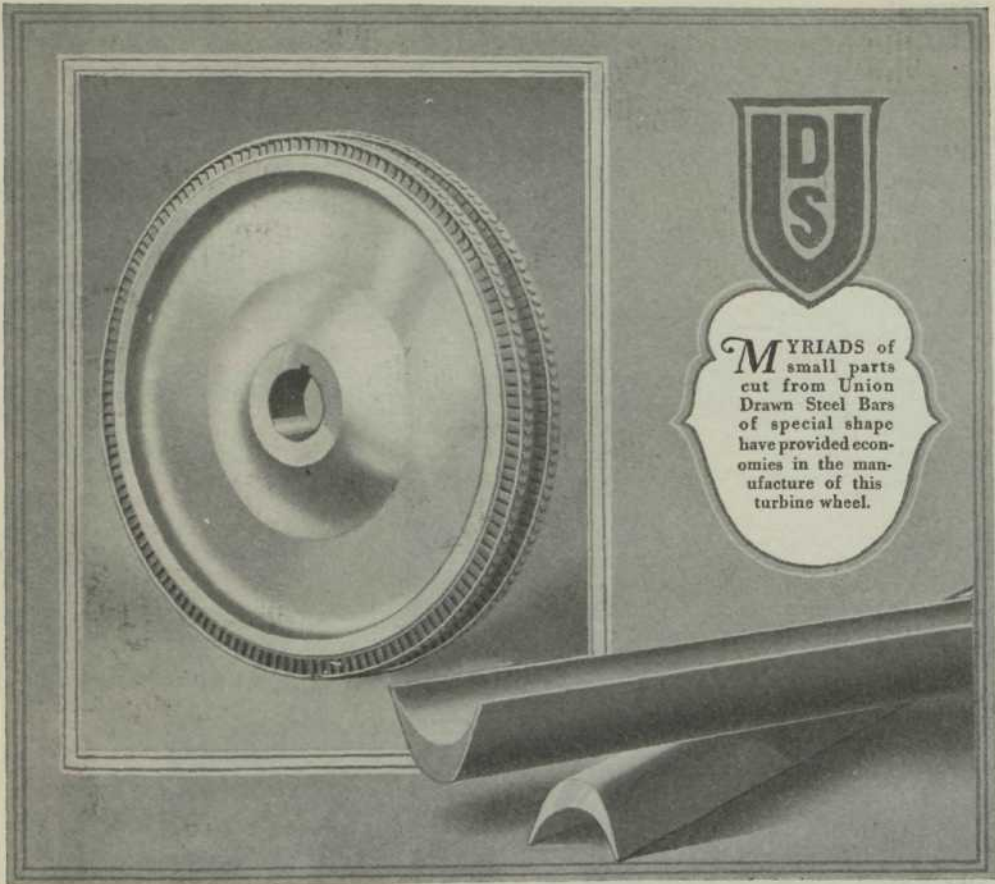
The Southern Railway System, in the year just passed, hauled 67,000 carloads of fresh fruits and vegetables.

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UNION DRAWN STEEL CO. *Beaver Falls, Pa.*

# UNION DRAWN STEELS



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has been embodied in the laws of twenty states since it was first issued in preliminary form three years ago. There have been a few revisions in view of a few court decisions which have been carefully studied.

SUGGESTIONS that may add to the value of water-power and water-supply developments are made in a bulletin issued by the Forest Service entitled "The Financial Limitation in the Protection of Reservoirs,"

**The Financing of Protection of Reservoirs**

by W. W. Ashe. The suggestions are of interest to investors in water-power and in municipal water-supply securities, as well as to managers of such properties and to engineers.

Storage of water is becoming a recognized factor in hydro-electric development, just as it is necessary in most cases for municipal supply. This bulletin shows that with storage there enters the problem of siltage through erosion, an insidious agency which may cause loss of pondage and consequent reduction in the capacity of reservoirs.

A number of illustrations show the effect of vegetation in the protection of soil from erosion, and the surface conditions both in regions subject to erosion and where it is possible to reduce it and in regions where such protection is not effective. Copies of the bulletin may be obtained from the Forest Service, Department of Agriculture, Washington, D. C.

A DIGEST Has just been made by the Bureau of Labor Statistics of trade or collective agreements between employers and employees during the year 1925. The list is not complete, as there is no central repository for such agreements and many agreements are never reduced to writing.

**Employer and Employee Trade Agreements**

Collective agreements are usually the result of bargaining between the local union and local employers. Few agreements binding the local unions are made by national officers except in the glass, pottery, and wall-paper unions, and in provisions regarding the use of the union label.

Examination of the agreements shows that the eight-hour day is very generally observed in the organized trades. The forty-four-hour week is practically the rule in the building, clothing, metal, printing, and stone trades for day work, while in many cases forty hours' work is all that is required of night workers.

In addition to the question of hours, the most usual subject covered by the collective agreement is the rate of wages to be paid. Other subjects relate to the terms of apprenticeship, provisions for arbitration, seniority, and equal distribution of work.

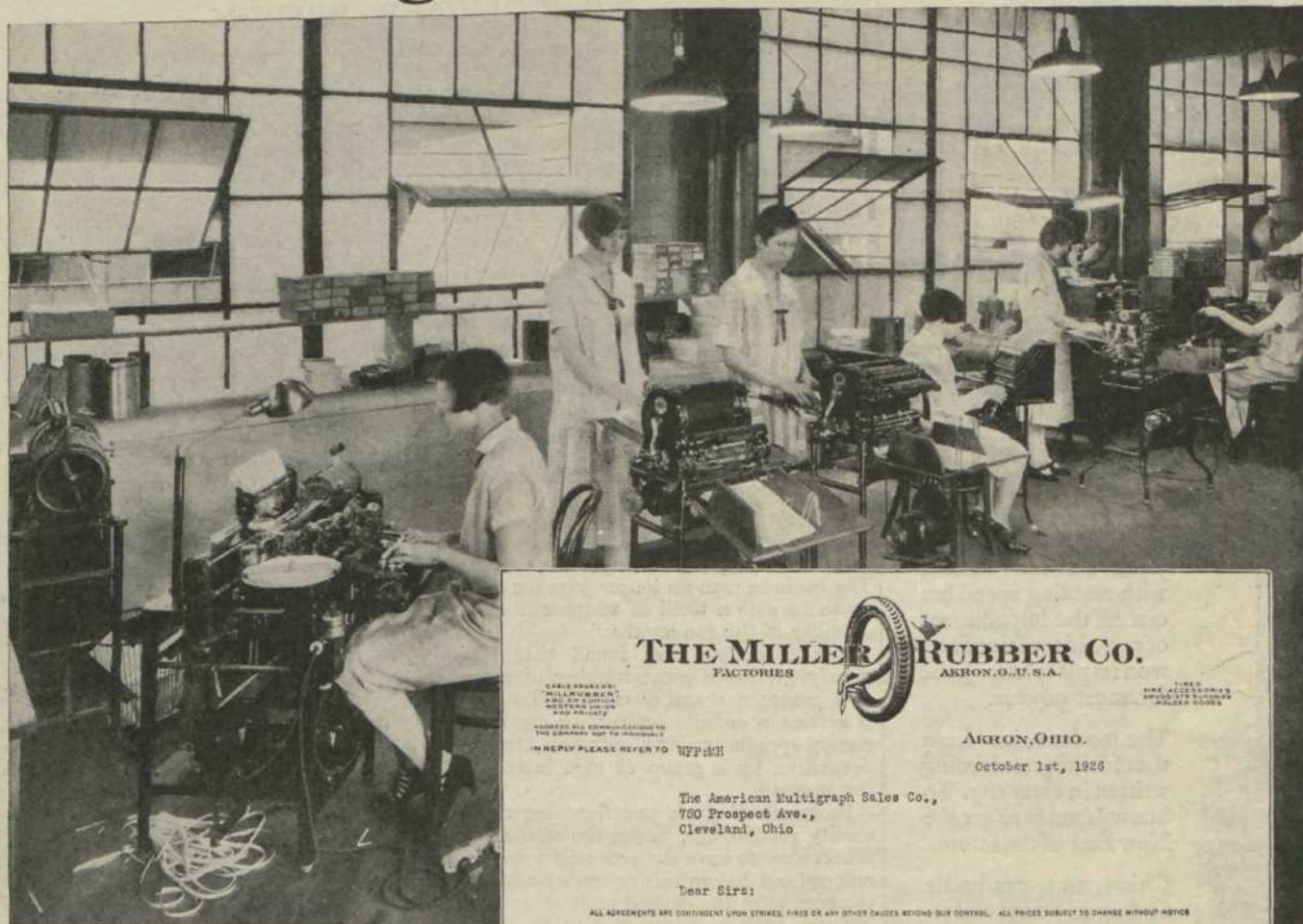
**Transportation on Great Lakes Studied**

A REPORT ENTITLED "Transportation on the Great Lakes" has been prepared by the Corps of Engineers, U. S. Army, in cooperation with the United States Shipping Board. It shows in considerable detail the development of commerce and shipping on the lakes, contains information as to the movement of bulk and other commodities, and movements of some of them from point of origin to destination in greater detail than has heretofore been possible.

The report contains also numerous graphs and colored charts showing the movement of important commodities. Package freight movement is shown, including the lines engaged in such service and the terminals available at each port. Copies of this report may be obtained for \$1.50 each from the Superintendent of Documents, Government Printing Office, Washington, D. C.



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FACTORIES

AKRON, O., U.S.A.



AKRON, OHIO.

October 1st, 1926

The American Multigraph Sales Co.,  
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Cleveland, Ohio

Dear Sirs:

ALL AGREEMENTS ARE CONTINGENT UPON STRIKES, FIRES OR ANY OTHER CAUSES BEYOND OUR CONTROL. ALL PRICES SUBJECT TO CHANGE WITHOUT NOTICE

In the building up of distribution for its daily production of a million pieces of finished rubber goods, The Miller Rubber Company has made constant use of direct mail advertising. Directing the operation and insuring the consideration of our products by 100,000 retailers of all fields, together with factory branches, jobbers and distributors, is a task which challenges any office equipment.

For example, we are marketing our line of surgeons' gloves and druggists' sundries through one group of retailers - our inflated rubber toys and balls through another and our Geared-to-the-Road tire through yet a third and so on. Only a smooth running system of form letter production would meet our need.

We want you to know that our system, based on the use of three of your #36 machines and one of your automatic typesetting machines, has been operating satisfactorily since its installation. We are running on your machines all forms which come within their scope. In addition, all of our direct mail advertising, including our Miller Personalized Service to dealers, is produced on them.

A recent check-up on cost of operating your machines has indicated a gratifying saving.

We have in addition been getting a high quality of evenness and clarity in our form letters.

Very truly yours,

THE MILLER RUBBER COMPANY

*Wm. F. Snigler*  
General Manager



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"The Shortest Route to the Orient"



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## Beyond the Pacific

lies the "Land of  
the Rising Sun."  
Adventure there  
with keen delight.

Japan, a miracle nation,  
with amazing speed has  
cast off the impediment  
of age-old traditions and  
won its place among the  
foremost powers.

The modern rises from  
the old. Progress is being  
written in every city. To  
know Japan is to see the  
New East of the future.

China, too, gradually  
finding its power and re-  
sources with the aid of  
Occidental inspiration.  
Vast areas, peopled with  
untold millions.

And Manila, cross roads  
of the Pacific, cosmopol-  
itan and strangely fasci-  
nating.

All these may be reached  
in rare comfort aboard  
the great President Lines  
of the Admiral Oriental  
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# Chamber "Do's" and "Don'ts"

## IV—Financing

By COLVIN B. BROWN

Manager, Organization Service, Chamber of Commerce of United States

EDITOR'S NOTE: This is the fourth of a series of articles dealing with the everyday problems of Chambers of Commerce and kindred organizations. Copies of a statement describing the detailed operation of the budget or service plan of financing may be had from Organization Service.

ONCE UPON a time," as all moral tales should begin, it was the almost universal custom of chambers of commerce to base their financing on the amount of dues collected from members. If it was necessary to raise more money, a membership campaign was organized and the money raised through an increase in the total members.

Time with its accumulation of experience has changed this method.

Business men no longer "support" their chamber of commerce. They are buying services that can be bought no place else. The business man no longer pays his dues because he gets a thrill of virtue out of being a "pillar of the community."

The chambers have found that it isn't merely getting a great number of members that makes a chamber effective but that it is getting a definite budget for carrying out certain specific projects, with this budget underwritten by a group of men interested in the program.

Programs of work and financing are very closely related, for, under the new order, it is necessary to have the proposed work clearly mapped out before raising money with which to accomplish the desired ends.

To go back into history a little. When it was found that memberships did not raise enough money to carry on the work of a chamber resort was often made to asking business men to finance particular pieces of work.

This did not prove very satisfactory as it tended to split a chamber up into a number of self-financed departments. Other chambers undertook to get the needed revenues by establishing graduated dues scales based on capital invested, amount of business done or some other measure. This did not prove satisfactory because of the difficulty in finding an acceptable yardstick.

### Use of Plural Memberships

THE MAJORITY of chambers attempted to solve this difficulty by the plural membership plan. It was widely adopted and is still used by a large number. It was discovered, though, that this membership plan was not as effective as making a direct appeal for contributions of a given amount to carry out the provisions of a definite budget. The business man liked this because here was a definite business proposition which he could study and on which he could come to a decision.

Many secretaries asked themselves as a result, "Why maintain all the complicated machinery of plural memberships at all?" The plural plan had been criticised on the grounds that the large holders of these memberships exercised direct or indirect control of chamber policies and that many of the men to whom these plural memberships were assigned took no active interest in the work of the organization.

All these factors, but particularly the desire

to approach this matter from the viewpoint of budget needed, led to the adoption of the budget or service fund plan of financing.

A typical plan is that in use at Tulsa. All memberships are twenty-five dollars, which carry the right to vote, and involve the obligation to participate in the chamber's activities.

This produces a certain amount of revenue which is not enough to carry out the full program of work that is contemplated. Therefore a budget fund is established which represents the difference between the total amount needed and the revenue derived from dues, and those who are in a position to do so are asked to contribute to this fund in varying amounts.

The amount of the contribution is usually determined by a committee upon the basis of the contributor's financial stake in the community. These budget contracts do not carry the right to vote, though in Tulsa a subscriber who is not a member is issued a membership providing his contribution is twenty-five dollars or more (the membership dues rate).

### Abolition of Members

MEMPHIS has gone even further, having abolished individual memberships altogether and giving each subscriber to the budget one vote. Under this plan, the chamber with some 530 budget-members, has increased, at the time of our last report, its revenue from \$68,000 to \$150,000.

The present practice of some chambers of commerce is to ask subscribers to the budget fund to sign a contract for one year only. The reason for this is that there is greater reluctance to sign for a continuing period of years than for one year and at the end of a year the chamber may want to increase the amount of subscriptions. The reason for the continuing budget contract is that chamber of commerce work should be on as permanent a basis as possible.

There is greater security for the completion of long-time projects, and there is no reason why subscribers cannot be asked to increase their subscriptions by signing a new continuing contract.

The Stockton, Calif., Chamber of Commerce has found it advisable to collect the budget money on a monthly basis. It has divided its membership into 32 business groups, such as retail lumbermen, retail grocers, manufacturers, etc., and a committee is appointed for each group to raise the subscriptions in each classification.

It is not good practice to allow the subscribers to earmark their contributions for a particular activity. All contributions should go to the general fund, under the control of the Board of Directors, which budgets the various activities, changing allotments as conditions change.

Under this new plan of financing business men are asked to contribute to the maintenance of the chamber's budget. When asked to contribute to the budget, the business man visualizes his contribution as an aid to carrying on the work that the local chamber is doing for the business and community interests of the city in which he lives. This frank and direct approach to the matter of financing a chamber of commerce has appealed to practical business men's judgment.





# The Toll-gate in the Rockies

WHEN merchandise moves from a factory in the East to buyers on the Pacific Coast, someone pays the freight charges . . . an unavoidable toll. ☹ Free your product from this sales handicap. ☹ The Western market can support western factories. Put an end to costly l. c. l. shipments, and deliveries, by manufacturing in Oakland.



**Ask  
for it!**

## Oakland Offers:

Central location in West. Fast rail and ship service. Excellent labor. Good working climate. Low power rates. Abundant raw materials.

From this thriving city you can meet the present hand-to-mouth buying demands of your dealers in the West. Labor is remarkably efficient . . . power is inexpensive and plentiful . . . factory sites are reasonably priced.

Fast shipments are possible from Oakland to the whole Pacific Coast because of ample rail and water facilities. Oakland is located on a great harbor . . . the

logical gateway to all the riches of the Orient.

Any manufacturer who sells in the West should investigate Oakland. As a first step send for the booklet . . . "Industrial Oakland." There are facts in this book which throw new light on Western profits.

A special technical report will be compiled for your industry upon request from a business executive.

This advertisement of Oakland and Alameda County—the West's fastest growing industrial district—is produced co-operatively by the Oakland Chamber of Commerce and the Alameda County Board of Supervisors.



Market and Industrial Department, Oakland Chamber of Commerce

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"Industrial Capital of the West"





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Home of Leaders in  
Statecraft, Diplomacy,  
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Business and professional men will find here the acme of luxury and comfort, at rates no higher than at less finely appointed hotels.

Four Short Blocks  
from

U. S. Chamber of Commerce

on

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Lakeland's location is practically at the center of the State.

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Polk County is one of the richest counties per capita in the United States. Lakeland, with

a population of 30,000 permanent residents, is the metropolis of Polk County, which is also the largest citrus producing county in America. Truck farming and phosphate mining are two basic industries that have built a very solid, substantial foundation of prosperity for this favored section of the Florida state.

Big business is fully aware of Florida's rapid, steady growth and Lakeland is the logical industrial hub of this tremendous new market.

First come—first served and first to cash in—why not recognize the fact that long-haul distribution is no longer adequate to meet Florida's needs. Open a branch factory or warehouse at Lakeland and reap the rich rewards awaiting you today, tomorrow and for years to come.

Write for specific industrial data

You'll like  
**Lakeland**  
Chamber of Commerce  
207 Orange Street, Lakeland, Florida

# News of Organized Business

By ROBERT L. BARNES

THERE is a dangerous centrifugal force in the Chamber of Commerce field which, if allowed to run to its logical extreme, would disrupt the present building of strong centralized organizations, and render Chambers of Commerce more or less impotent general interest bodies.

Some leaders among the business men, members of Chambers of Commerce, as some leaders in city and state governments, bent on forcing the undertaking or enlargement of some function or activity, have a marked tendency to fix their attention on their own special interest and to insist on the creation of a special agency to administer it.

It is a question, let us say, of developing the city's convention business or of tackling in a more scientific, aggressive and comprehensive way the matter of the city's industrial growth. Some leader in the group, seeking the innovation right away, is liable to say, "Of course, this is an activity too big for the Chamber to handle. We will have to set up a separate organization and raise a separate budget."

The answer to such a statement is either one of the two following:

1. The activity in question is not too big for the Chamber. The Chamber has already demonstrated its capacity to handle big things in an effective way, both from viewpoint of sound policy and of efficient administration. The Chamber can without difficulty absorb this activity, set up the neces-

sary administrative machinery to carry it on, and obtain the necessary money to finance it. If the activity in question can be organized and financed outside the Chamber, it can be better organized and financed within the Chamber. It can be because the business men in this community have confidence in their Chamber of Commerce. It should be, because in that way we can avoid confusion, duplication and waste, and give the business interests of the community a coordinated business building and civic building program.

2. If the activity is too big for the Chamber, then it is high time that we reorganized our Chamber. It is high time that we made our Chamber big enough to carry on an activity which rightfully falls within its proper field. Unless we do this, we will scatter our efforts through many independent or loosely federated research and promotion agencies, and, as a result, we will in the long run fall behind in the competitive race with our sister cities, whose business men have had the wisdom and the foresight to create strong central organizations.

Just as the haphazard creation of numerous independent administrative agencies in state and city governments has led to a demand for the setting up of a few great departments with responsible executive direction, so the establishment in our cities of numerous organizations of business men for special purposes has led to amalgamations which have resulted in strong, effective Chambers of Commerce. This is a matter of history in many cities. The present Boston Chamber of Commerce, for example, is the result of such an amalgamation brought about in 1909.

In one large city which for generations has been victimized by conflicting and overlapping associations of business men, the process of reorganization is now going on.

ANYONE who has watched the development of our cities must be impressed by the effective and constructive service rendered by their Chambers of Commerce. These organizations have not only promoted the business interests of their communities but have justified our confidence in American business men by the increasing breadth of vision and public spirit which make them see all the communities' problems as their own, to the solution of which they will willingly contribute time, effort and their practical point of view. But this is only part of their service. By uniting their strength through the Chamber of Commerce of the United States they are rendering the nation a service as great as they rendered their local communities. The National Government needs and appreciates the aid, counsel and advice which American business as a whole can give.

—Herbert Hoover.

Why then turn back the pages of history, one may ask the leaders who would create an agency outside of the Chamber for industrial development, for tourist and convention promotion, for municipal advertising, for retail trade extension, for increasing the prestige of the city as a wholesale market, for developing technical and other services for local manufacturers? Why create a situation of many organizations which history shows will sooner or later force an amalgamation in the interests of economy and efficiency? Why not accept as a fundamental principle the necessity, proven by experience, of a central organization of business interests, the Cham-

ber of Commerce, and consider in reference to any proposed activity which falls within its field only these two questions:

1. Is the activity a desirable one to undertake at this time?

2. If so, how can we best organize and finance it within our Chamber of Commerce?

This comment on Chamber activities was prepared by the Organization Service of the National Chamber and sent out to all local secretaries.

### What Price Service?

UNDER this title *Railroad Data* published an item which reads: "There are certain fundamental laws of economics that never change.

"The cost of production plus a reasonable profit must be borne by the consumer. What you think is a bargain today, you pay full price for tomorrow in one way or another.

"In the final analysis, whether you purchase freight service or a pair of shoes, the quality is in direct proportion to the price you pay."

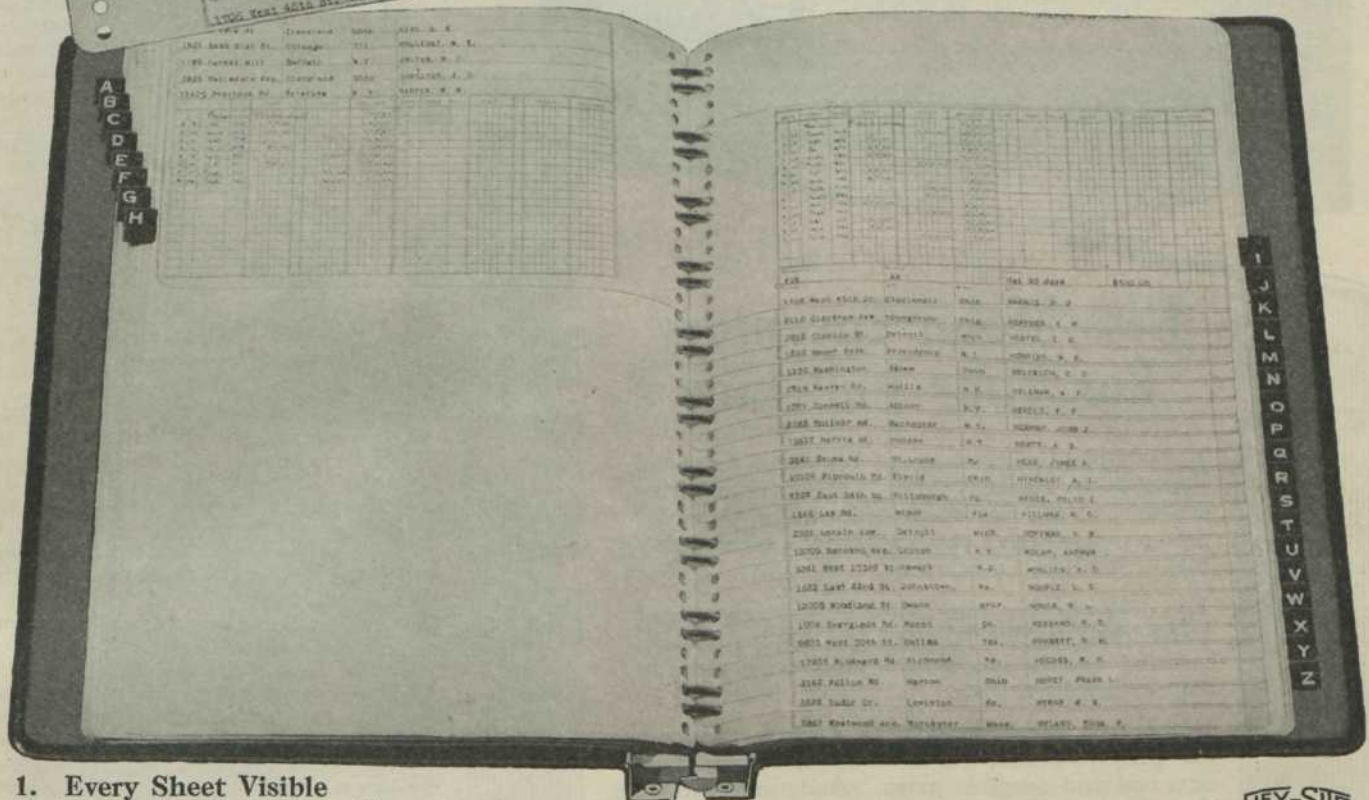
That is not a new idea, but it bears repeti-



# Not a New SYSTEM

DATE	DESCRIPTION	AMOUNT	BALANCE
1.18	Cash	100.00	100.00
2.18	Cash	200.00	300.00
3.18	Cash	300.00	600.00
4.18	Cash	400.00	1000.00
5.18	Cash	500.00	1500.00
6.18	Cash	600.00	2100.00
7.18	Cash	700.00	2800.00
8.18	Cash	800.00	3600.00
9.18	Cash	900.00	4500.00
10.18	Cash	1000.00	5500.00
11.18	Cash	1100.00	6600.00
12.18	Cash	1200.00	7800.00
1.19	Cash	1300.00	9100.00
2.19	Cash	1400.00	10500.00
3.19	Cash	1500.00	12000.00
4.19	Cash	1600.00	13600.00
5.19	Cash	1700.00	15300.00
6.19	Cash	1800.00	17100.00
7.19	Cash	1900.00	19000.00
8.19	Cash	2000.00	21000.00
9.19	Cash	2100.00	23100.00
10.19	Cash	2200.00	25300.00
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On account of the rapid growth of this business our District Managers are looking for Salesmen who have had thorough training and experience with the designing, filing and indexing of business records. If qualified apply to the address below.

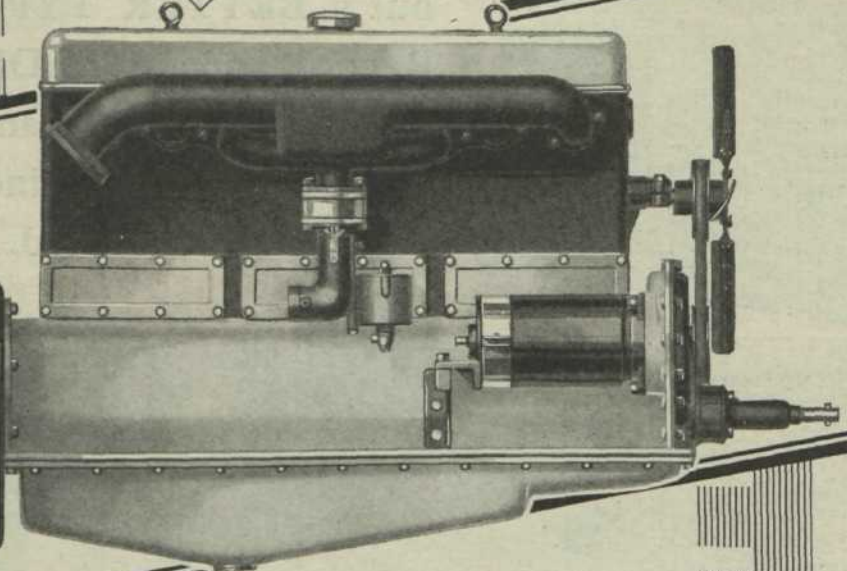
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# MORE POWER



## Less Motor Inventory For Your Full Line

The complete power range of Wisconsin Sixes and Fours, 20 to 120 H.P., affords the manufacturing economy of one motor source for all units of your production, whether you build trucks, busses, tractors or industrial machinery.

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Every model in the Wisconsin line delivers a definite, demonstrable economy—invariably, "More Power per Cubic Inch"—more work per gallon of fuel and oil—and a consistently lower service cost.

*Write for the facts and figures*

**WISCONSIN MOTOR MFG. COMPANY**  
MILWAUKEE WISCONSIN

Wisconsin Motors are manufactured in a full line of Sixes and Fours, with a power range from 20 to 120 H.P.,—for trucks, busses, tractors, and construction machinery.

# Wisconsin

CONSISTENT



When writing to WISCONSIN MOTOR MFG. COMPANY please mention Nation's Business

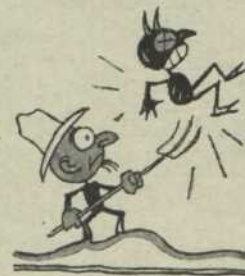
tion. As increasing the cost of distribution, a study of advertising made in Cincinnati and published in the bulletin of the National Association of Retail Secretaries is interesting.

All types of publications in the city submitted their best advertising rates. These were then computed on a cost per line basis per 1,000 circulation. The figures, according to the bulletin, "prove conclusively that small circulation class publications are exceedingly expensive when compared to the daily newspaper."

Church women's paper.....	\$6.59
Religious college paper.....	2.70
General college paper.....	1.71
Civic organization paper.....	1.68
Local auto magazine.....	1.30
Religious paper.....	.56
One of city's large newspapers.....	.18
Another city's large newspapers...	.16

### Smut Eradication

IT IS no new thing for a Chamber of Commerce to recognize the importance of a sound local agriculture and Chambers throughout the country have undertaken many worthwhile projects to improve their agricultural conditions. The Denver, Colo., Chamber of Commerce has done a good job in a novel way.



Smut has been raising havoc in Colorado wheat for many years. In 1925 the loss to Colorado farmers was approximately \$5,000,000, through explosions, fires, and the lowering of the wheat's value by heavy dockage. In August, 1925, a western railroad, the Colorado Agricultural College, and the Denver Chamber undertook a smut eradication campaign in the thirteen wheat-raising counties of Colorado.

An old barrel was put on the bumper of an automobile, and a party of four started out to the field of action. The party consisted of an agricultural pathologist, an extension agronomist, a railroad traffic man, and Mr. Thomas of the Chamber's staff. The auto stopped on the main street of a town and showed the farmers how to mix wheat seed with copper carbonate. While one member of the party was doing this, another would go to the druggist and induce him to stock up with copper carbonate. Another man would visit the banker and tersely show what effect smut loss had on farm loans. The fourth man went to the local elevator and enlisted his help in getting the farmer to apply the remedy at once. The local newspapers usually printed a front-page story on the campaign.

Though the crew started late in 1925, it is estimated that this three weeks' trip saved wheat growers \$500,000.

### Buying Real Estate

QUESTIONS as to the best method of acquiring real estate for public purposes, such as schools, playgrounds, parks, etc., are being raised in a number of cities. There are accusations that the public pays more than it should; more than a private purchaser would. In one city this has led to a legal limitation—the city is forbidden to pay more than 25 per cent in excess of assessed valuation. The result is, for the time being at any rate, a practical stopping of all purchases.

In view of the growing interest in the subject, the Civic Development Department of





## Your Daily Food and Grinding

The cocoa bean—between the pod and the delicious products of the confectioner's art are many steps.

—but quality is a result of crushing to powder fineness between accurately ground rolls—and steel roll accuracy is a result of Grinding.

This is but one of countless foods that grinding helps to produce. The fine texture of flour, starch, in fact practically all powdered foods—cereal breakfast foods—are rolled between rolls finished by the grinding wheel and grinding machine.

The extreme accuracy and great quantity production of modern grinding contributes in a large way to the world's supply of life's necessities.

**NORTON COMPANY** Worcester, Mass.

# NORTON

Grinding Wheels  
Grinding Machines



Refractories-Floor  
and Stair Tiles





Situated sixteen miles from the Gulf of Mexico on the Caloosahatchee River.

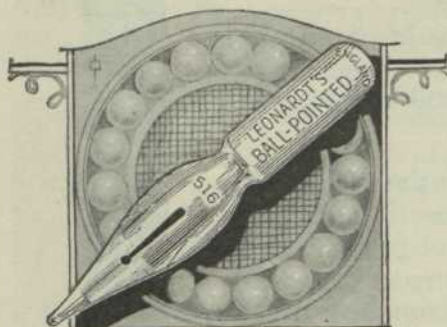
## Fort Myers Florida's City of Opportunity

FIVE years ago Fort Myers was the twenty-first city in Florida. Today it is a growing, thriving city with a permanent population of 20,301. It is the eighth city in the State and holds a strategic location in a region with unlimited natural resources. The territory is served by the Atlantic Coast Line Railway, the Seaboard Air Line, a net-work of paved highways; navigable streams, steamship lines, and passenger and mail air service. These advantages offer genuine opportunity to persons who seek a place for industry. Fort Myers is also an ideal place in which to live and play.

Write for Booklet

Our free booklet is fully illustrated and will give you a true picture of the opportunities offered. Write for a copy today. Address: Fort Myers Chamber of Commerce, Dept. O, Fort Myers, Florida.

**Fort Myers**  
The City of Palms  
Florida



## Leonardt's BALL-POINTED

AS ball-bearing lessens friction in machinery, so do BALL-POINTED PENS ease the action in writing. Smoothly and easily the BALL-POINTED PEN travels over the paper, distributing a steady, even flow of ink. To the writer it ensures complete harmony between mind and matter.

## Pens

Made from the finest Sheffield Steel.

40 years' untarnished reputation.

The name Leonardt's BALL-POINTED PENS printed on every box. Accept no substitute. On sale at all leading stationers. Stocked by all large jobbers.

### When You Want Figures

in a hurry—not hurried figures—send your inventory and other emergency computations to a skilled organization of public calculators. 48-hour accurate service.

**ATLAS CALCULATING SERVICE**  
19 W. Jackson Boul. Chicago, Ill.

the National Chamber wishes to learn what are the practices and experiences in different cities, so this information may be available to all. A letter has been sent out to the various Chamber secretaries throughout the country asking various questions on the subject.

The questions cover the acquisition of property whether by condemnation or purchase, methods and bases of assessment, the relation between prices paid under condemnation proceedings and purchases, and other phases of the problem.

### The Air Visitor

WE RECEIVED recently this interesting story by W. W. Snypp, of Lakewood, Ohio, on a development in the local promotion of airports:



Free admittance to theaters, substantial discounts at hotels, cafes, and many other special courtesies are held out by a number of cities as inducements to the flying man to land. A courtesy card enumerating what the

city offers is presented to the aviator through the local Aeronautic Association or Chamber of Commerce.

Cumberland, Md., is one city to extend such a welcome to the flier. The methods of this little mountain city are typical.

This invitation in the form of a double business card has been sent out to 2,000 Army, Navy, Marine Corps, Air Mail and civilian pilots. On the back of the card is a diagram of the local flying field and city, giving directions and other information needed by the pilot in making a landing.

Inside is a welcoming note followed by the names of the hotels and cafes which offer discounts to aviators of from 10 to 50 per cent. A number of theaters are listed to which admission is free. The Kiwanis and Rotary Clubs extend open invitations to luncheon. The Fair Association and Base Ball Association list free admission. Tennis, pistol and country clubs, and Y. M. C. A. give free use of their facilities. A dye works presses uniforms without charge and a taxi company offers special rates and service.

The taxi company entered into the plan so wholeheartedly that it devised a method for pilots to signal, before landing, for a taxi to meet them at the field.

Any time it is necessary to reach a point in the city with the least possible delay, fly west along the main business street across Wills Creek. Halfway up the hill are two churches directly opposite each other. Make two left-hand circles above and including both towers at an altitude low enough promptly to attract attention, then proceed to the field. A "71" taxi will immediately be dispatched to the field—a saving of about twenty minutes.

The card adds a laconic note: "Pilots are requested to use caution and not to construe this as an invitation to 'jazz' the city." Flying folk have appreciated the kindness of the city, with but one exception. That was an aviator who called the dye works from his hotel one midnight and demanded that they immediately send for his uniform. Then he insisted that it be returned before morning.

"Drop in to see us sometime from the air" is the invitation from Muskogee, Okla., the city that instituted the special favors to air-men. Back in 1920 the Aviation Club began

issuing cards through the Chamber of Commerce to visiting aviators, making them associate members of the local flying organization. The courtesies provided are similar to those that have been since copied by Cumberland, Md.; Little Rock, Ark.; St. Joseph, Mo., and Waco, Tex.

St. Joseph has spent a quarter of a million dollars in the last three years for the development of aviation. While the U. S. Air Service has an Airways Station on the field, the airport is municipally owned and operated and boasts of \$30,000 worth of machinery and equipment. Now, according to Mr. Carl H. Wolfley, secretary and general manager of the St. Joseph Aeronautic Association and vice-president of the National Aeronautic Association, they are planning the erection of a \$30,000 clubhouse on the field for members of the local aviation club and visiting pilots.

St. Joseph, as well as other cities that have adopted means of welcoming airmen, wants to make its community known not merely as a landmark, but as an airport.

### Cuba's Condition

A LETTER recently received by the National Chamber of Commerce from the American Chamber of Commerce of Cuba relates conditions in the "Pearl of the Antilles" after the cyclone. The letter in full:

In view of the number of detached inquiries received in this office from various sources in the United States, this Chamber would appreciate your giving publicity to the fact that the recent cyclone in Cuba has not in any way impaired facilities either in respect to travel or hotel accommodations; and winter visitors will find the city of Havana, and Cuba in general, in readiness to care for their comfort and pleasure.

The weight of the storm fell most heavily upon buildings of light construction on the city outskirts; and, of course, produced conditions requiring widespread relief to the working classes and to the poor whom relief contributions have greatly helped.

### Using the Superlative

AWARDS for architectural merit are to be given by the Queensboro, N. Y., Chamber of Commerce. Three prizes will be given; one for the best industrial plant, another for the best business building, and the third for the best apartment house.

The rules and regulations for the contest stress the importance of "the civic value of good architecture."

An editorial in the *Kansas City Star* strikes a worth-while note on this subject. First reviewing the drum beatings of an entire city in which is being erected the highest building in the world, the editorial continues:

Well, and what of it? We do not understand that any claim is made that this is to be the most beautiful building in the world, or the most useful, or the most productive of pleasure, instruction or profit for the beholder. It is simply to be the highest. That means this—and not much more—that to see the top of it the man in the street must stretch his neck a little more than he has ever stretched it heretofore to see the top of any other building.

We wonder if this really is a desirable objective in architecture. Couldn't it do better for America—won't it some time do better—than just to give it the highest building in the world? If, for example, an American city should sometime build a structure only five stories high that travelers from all over the world would come to admire, that would be seen everywhere in pictures and make the name of its city and its builder famous, wouldn't that have to be accounted a better building on the whole, a finer feat of architecture, more





## How can you use the "CATERPILLAR" Tractor?

SPOTTING cars about the plant, perhaps. This 5-Ton, owned by a gravel company, handles two cars as a normal load—it often pulls four cars—a gross load of about 310 tons.

Dependable power where you want it, traction to defy dust and mud—how can the "Caterpillar" make money for you?

### "Caterpillar" Tractor Prices

2-Ton . . .	\$1850
<i>Peoria, Ill.</i>	
5-Ton . . .	\$3250
<i>Peoria, Ill.</i>	
Thirty . . .	\$3000
<i>Peoria or San Leandro</i>	
Sixty . . .	\$5000
<i>Peoria or San Leandro</i>	

Ask for the picture book that suggests the range of "Caterpillar" usefulness—

**Better - Quicker  
Cheaper**

✓ There's a "Caterpillar" Dealer near you ✓

### CATERPILLAR TRACTOR CO.

*Executive Offices: San Leandro, California, U. S. A.*

*Factories: Peoria, Illinois - San Leandro, California*

*New York Office: 50 Church Street*

*Successor to*

**BEST** C. L. Best  
Tractor Co.

The Holt Manufac-  
turing Company **HOLT**

4(NB)

# CATERPILLAR

REG. U.S.

PAT. OFF.

When writing to CATERPILLAR TRACTOR CO. please mention Nation's Business



# Associated Gas and Electric System

Founded in 1852

## Group Strength

"Consolidations and extensions of electric plants have continued throughout the past year . . . such consolidations have invariably been followed by an improved character of service. . . ."

(1925 Report New York Public Service Com., page 17.)

Experience has demonstrated that the grouping of properties under a common management improves service and strengthens the financial structure. In 1918 there were 6,542 separate electric generating plants in the United States; today there are only about 4,800, although the total output is more than double.

Within the Associated System, the Harlem Valley group along the New York-Connecticut border is composed of what were formerly 12 separate local units serving all together 10,000 consumers. In Kentucky, Tennessee and Indiana 16 municipal plants serving about 10,000 customers were added to the Associated System.

Group management provided by the Associated System makes possible many substantial improvements. In one locality 12 to 15 interruptions in service had been occurring per month; now there are practically none. Improved service is a source of satisfaction to the company and to the community served.



## Associated Gas and Electric Company

Incorporated in 1906

Write for our booklet, "Interesting Facts"

Associated Gas and Electric Securities Company

61 Broadway

New York

## Once Again COAL MARKET INSTABILITY

emphasizes coal buying as a factor in power economy. The recent sudden, and generally unexpected, upturn in the bituminous coal market again strikingly emphasizes the importance of coal buying as a factor in steam generating economy.

The fruits of persistent improvement in operating economy may be lost over night through a lack of some vital bit of information needed to guide coal buying accurately.

It is not easy to direct coal buying to meet the operating requirements of a plant and at the same time to make the most of market opportunities, even under stable conditions. In a time of disturbed conditions, it takes the utmost skill, and quick availability of accurate coal information.

For twenty years the Fuel Engineering Company has been working constructively with its industrial and public utility clients, in times of coal market stress, and when coal was easy to buy, helping them with its unequalled store of detailed, timely information on coal and specialized engineering experience in steam generation. Advice and counsel in coal buying forms only one part, but an important one, of the completely rounded service this Institution furnishes to clients.

Industrial executives who believe in steam generation that is managed, as well as operated, are invited to write.

## FUEL ENGINEERING COMPANY of NEW YORK

Consulting Fuel and Power Engineers

116 EAST 18th STREET  
NEW YORK



ESTABLISHED 1907

impressive and even more useful than one that was merely the highest?

. . . We have not yet come to envisage the greater values that inhere in beauty, taste, and the employment, structurally, of the arts. . . .

It's a strange fancy, too, because none of the few buildings that America has some reason to be proud of, as accomplishments in architecture, are high buildings. . . . This isn't to say that high buildings can't be made distinctive, but usually they aren't—they are usually made high. . . . But a city that should build a doge's Venetian palace might bid its rivals defiance for centuries.

There seems to be one thing forgotten in this discussion.

Why the superlative at all?

## Meeting Facts

**B**USINESS men are the chief contributors to the financial support of agencies that deal with social problems. Because of this fact, Chambers of Commerce throughout the country take a particular interest in the coordination and efficiency of effort on the part of these agencies.

The present situation is a logical development of changing conditions. Older civil-

izations had no counterpart to our present-day agencies. Slavery took care of or ruthlessly disposed of the laborer who did not pay his way. With the general acceptance of Christianity the church became the great agency to take care of the poor and needy. The Reformation took the wealth of the churches, and the state took over in some measure the work of almsgiving. However, work done by the state was usually in the line of repression and was so poorly done that in the nineteenth century there was a wave of reform.

With the establishment of private agencies to deal with the situation came the belief that the work should be preventive rather than merely succor of those in want.

A correlated study of the various social agencies in the United States was undertaken by the Civic Development Department of the National Chamber. The work is entitled "Social Agencies and the Community." The figures that they have assembled cover an interesting period of time from 1920 to 1926, a cycle of prosperity, depression, and consequent recovery.

It is a useful study for business men interested in making their local social agencies as effective as possible.

## Coming Business Conventions

(From Information Available Dec. 1)

Date	City	Organization
Jan.		
1st week..	New York.....	Motorcycle & Allied Trades Association.
5-7 .....	Portland, Ore.....	Northwest Cannery Association.
5-7.....	Chicago.....	National Shoe Retailers Association.
6.....	New York.....	Umbrella Manufacturers Association of America.
8.....	Boston.....	New England Music Trade Association.
9-13.....	New York.....	International Association of Clothing Designers.
10.....	New York.....	Rubber Association of America, Incorporated.
10-14.....	Chicago.....	American Road Builders Association.
2nd week..	New York.....	Cycle Parts and Accessories Association.
11.....	New York.....	National Sugar Brokers Association.
11.....	Nashville.....	Southeastern Millers Association.





# What happened in your business yesterday?

*You no longer need  
to wait a month to get the answer*

INTERESTING, aren't they—those monthly statements that picture the details of your business before your eyes? And invaluable, too—because you govern your decisions by the facts that they contain.

Yet think how much more valuable *daily* statements would be—placed right on your desk each morning at nine o'clock sharp. Statements full of fresh facts—vital statistics. Statements that give you at a glance the important details of your condition—including *yesterday*.

Now you can keep this closer contact with your business *without adding a single name to the payroll*. The right type of accounting equipment tells you, each day, how much you owe and how much is owed you. It tells you how sales, shipments, accounts receivable

and payable, compare with yesterday—last month—a year ago. And it shows you at a glance just how much work each dollar is doing.

An increasing number of executives are adopting this method of keeping their fingers on the pulse of their business. Because they know each day what is taking place, they are able to grasp today's opportunities today and avoid sudden financial pitfalls. In this way, with a small investment, they are able to save their companies thousands of dollars each year.

Just how this equipment can supplement your present accounting system is an interesting story. If you wish, one of our representatives will explain it to you in detail. Ask your secretary to phone or write us. Elliott-Fisher Company, 342 Madison Avenue, New York.

## MEMO FOR YOUR SECRETARY



**Elliott - Fisher**  
AUTOMATIC ELECTRIC

ELLIOTT-FISHER COMPANY  
342 Madison Avenue, New York City

Gentlemen:

- ☐ Please send me a copy of your booklet, "Why?"
- ☐ Please have a representative familiar with my line of business phone for an appointment with me.

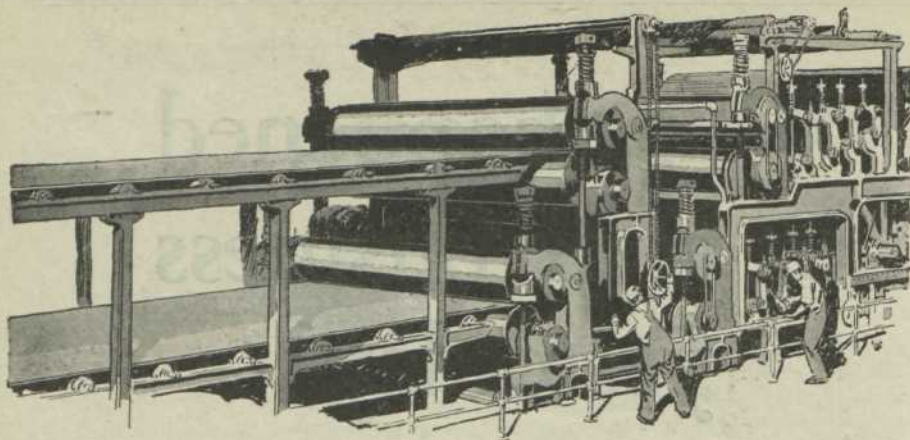
Name .....

Address .....

City..... State.....

**JUST WRITE — Elliott - Fisher does the Rest — JUST RIGHT**





IN a mammoth plant near New Orleans, gigantic machines are producing boards of Celotex that are shipped to all parts of the world. A single day's output of the Celotex plant equals the amount of lumber that could be cut from a seventy-five acre tract of timber.

# Amazing Lumber not cut from trees

*Stops heat and cold many times as effectively as wood . . . is stronger in walls and costs no more to use. Saves about one-third fuel. Already used in more than 90,000 homes. . . .*

FIVE years ago, a way was found to make lumber that possesses structural advantages plus insulating properties that wood lumber can never offer.

It was a complete new building material: a heat-stopping lumber that banished hot, stuffy rooms in Summer, cold, draughty rooms and wasted fuel in Winter.

This amazing lumber is Celotex. It is not cut from trees, but manufactured in broad strong boards from the tough fibres of cane. It is enduring . . . scientifically sterilized and water-proofed. The broad Celotex boards are stronger in walls than wood lumber.

Celotex was developed to meet the urgent need for a building material that would provide

insulation at little or no extra building cost.

Today, it has changed all building standards. For it has made insulation available, at a saving, in every home. Already more than 90,000 have been built this modern way.

The success of The Celotex Company proves the soundness of the service that Celotex renders.

From a production of 12 million square feet in 1922, it has grown to a production of over 220 million feet a year . . . much more than the combined output of all other manufacturers of insulation used for building.

Complete information about Celotex may be secured by addressing The Celotex Company, 645 N. Michigan Ave., Chicago.

# CELOTEX

INSULATING LUMBER

11-12	Boston	Eastern Soda-Water Bottlers Association.
11-13	St. Louis	Miss. Valley Implement, Vehicle & Hardware Dealers Association.
11-13	Detroit	National Association of Window Shade Manufacturers of America.
11-13	Chicago	National Retail Furniture Association.
12	New York	Motor & Accessory Manufacturers Association.
12-14	Miami	National Association of Real Estate Boards.
12	New York	U. S. Ship Operators Association, Incorporated.
13-5	Atlantic City	American Association of Wholesale Hatters.
13	New York	American Exporters and Importers Association.
13-5	Denver	Mountain States Lumber Dealers Association.
14	New York	Pyroxylen Plastics Manufacturers Association.
14-15	Springfield, Mass.	New England Association of Commercial Executives.
17	New York	Compressed Gas Manufacturers Association.
17-21	West Baden Sprgs. Indiana	National Association of Dyers and Cleaners.
17-20	Detroit	National Crushed Stone Association.
17-21	Beloxi, Miss.	National Furniture Warehousemen's Association.
17-19	Cincinnati	National Sand & Gravel Association Inc.
18	New York	Hardware Board of Trade.
18-20	Chicago	American Fruit and Vegetable Shippers Association.
18-20	Chicago	Better Bedding Alliance of America.
18-20	Denver	Mountain States Hardware and Implement Association.
18	New York	National Association of Book Publishers.
18-19	New York	National Boot and Shoe Manufacturers Association of the U. S.
18	New York	National Automatic Sprinkler Association.
18-19	Memphis, Tenn.	National Lumber Exporters Association.
18-19	New York	National Slate Association.
18-20	Minneapolis	Northwestern Lumbermen's Association.
18-20	Chicago	National Fruit Jobbers Association of America.
18-20	Kansas City, Mo.	Western Implement and Hardware Association.
19	New York	American Doll Manufacturers Association.
19-20	Detroit	Int'l Cut Stone Contractors and Quarrymen's Association, Incorporated.
19-21	Chicago	National League of Commission Merchants of the U. S.
19-20	Boston	New England Association of Ice Cream Manufacturers.
19-21	New York	United Roofing Contractors Association.
20	Chicago	American Walnut Manufacturers Association.
20-21	Washington	American Society for Steel Treating.
20-22	Chicago	Gas Products Association.
20	New York	National Jewelers Board of Trade.
Wk. Jan. 19	New York	National Wholesale Dry Goods Association.
21-29	New York	National Association of Engine & Boat Manufacturers, Incorporated.
24-26	Toronto	Mason Contractors Association of the U. S. and Canada.
24-29	Atlantic City	National Cannery Association.
24-29	Atlantic City	National Food Brokers Association.
24-25	Atlantic City	National Preservers Association.
24-28	Atlantic City	Canning Machinery & Supplies Association.
25-27	Nashville, Tenn.	American Wood-Preservers Association.
25-28	Memphis	National Association of Merchant Tailors of America.
25-27	Syracuse	Northeastern Retail Lumbermen's Association.
25	Minneapolis	Northern Pine Manufacturers Association.
25-27	Del Monte, Calif.	Western Confectioners Association.
25	Spokane	Western Red Cedar Association.
27-28	Toledo	Central Electric Railway Association.
27-28	Nashville, Tenn.	National Association of Railroad Tie Producers.
26-28	Kansas City, Mo.	Southwestern Lumbermen's Association.
28	Providence	Manufacturing Jewelers Board of Trade.
29	Philadelphia	American Cranberry Growers Association.
31-Feb. 5	Cleveland	Artistic Lighting Equipment Association.
31-Feb. 5	New York	1st National Exposition of American Manufacturers, Carpets & Rugs.



## On the Business Bookshelf

**The Cattle Industry and the Tariff**, by Lynn Ramsay Edminster. The Macmillan Company, New York, 1926. \$2.50.

A study of our livestock industry as it may be affected by the tariff. The author thus sums up his conclusions:

"To conclude: It would appear that the cattle industry is one in which the tariff cannot be made a very effective instrument for increasing prices and stimulating output. The significance of this situation is not to be escaped. The marked inclination of consumers to resort to substitutes imposes a very distinct check upon the gain that can accrue to producers from duties on cattle and beef; and, by the same token, it diminishes the money burden that will be visited upon consumers. In so far as prices can be increased the duties will be a source of gain to many producers; but, for such gains as may ultimately accrue to producers, the country seems likely to obtain relatively small compensation in the way of increased output."

**American Pork Production in the World War**, by Frank M. Surface. A. W. Shaw Company, Chicago and New York, 1926.

It seems a dull and uninteresting story that Mr. Surface, formerly economist for the United States Food Administration and for the American Relief Administration, has told in "American Pork Production in the World War." Certainly the title is prosaic enough, but the World War has altered the old statement of Bismarck that the three most important things for waging a war are money, and more money and still more money; it showed that food was quite as important as money in war.

"It was the allied blockade, by its long-continued and ever-increasing economic pressure on the Central Powers, that brought about the breakdown in German morale both in the army and at home." "Some credit (for winning the World War) must be due to those who patiently worked on farms, in factories, or in crowded offices." Mr. Surface is certainly capable of telling of these heretofore unheralded phases of the war.

While breadstuffs and sugar were important, in the problem of meats and fats "lies the great dramatic story of millions of farmers, of starving nations, of repudiated contracts, of vast commercial agencies, of millions of tons in ships and cars, and of billions of dollars in finance."

Mr. Surface tells the history of meat from the necessary stimulation of production at the beginning of the War, through the various government regulations of food supplies during the war and the European blockade, down to the food-relief measures for stricken Europe after the War.

**Publicity**, by Roger William Riis and Charles W. Bonner, Jr. J. H. Sears & Company, New York, 1926. \$2.

Publicity—the art of persuading the public—is an expanding professional activity. Publicity material must be prepared well and accurately. Candor should be shown before charges of misrepresentation are directed against the clients of publicity; the standards of the client must be high as well as the ethics of the publicity experts.

After discussing the various phases of publicity, Messrs. Riis and Bonner treat of the relations of public utilities and the public. Since the people are easily led by demagogues to believe that the utilities with their mo-



## Non-Skid Hi-Type Traction and Long Mileage

Here is the right tire for that heavy truck which needs plenty of traction.

This Firestone Non-Skid Hi-Type is correctly designed and constructed to hold up in heavy jobs. The rugged tread stands strenuous going, and the tire's unusual depth gives extra wear.

As fast as the range of truck haulage widens, Firestone provides the right tire for every road, load and condition. See your Firestone Dealer today.

MOST MILES PER DOLLAR

## Firestone TRUCK TIRES

AMERICANS SHOULD PRODUCE THEIR OWN RUBBER. *Harvey Firestone*

*If you are not already a Nation's Business Subscriber—*

To the U. S. Chamber of Commerce,  
Washington, D. C.

Send me NATION'S BUSINESS, your official monthly publication, beginning with the FEBRUARY number. Bill me later for \$7.50 for the three year term-subscription (OR: I enclose remittance with this coupon).

NAME \_\_\_\_\_

ADDRESS \_\_\_\_\_

CITY AND STATE \_\_\_\_\_

N.B. Jan.



*Try out This handy coupon*

When buying FIRESTONE TIRES please mention Nation's Business to the dealer



### To officers of corporations

The Equitable acts in the following corporate trust capacities:

#### [1.]

As trustee under mortgages and deeds of trust, securing bonds of railroad, public utility and industrial corporations.

#### [2.]

As transfer agent and registrar of stock. (In the transfer of even a single share of stock there are thirty-five separate steps. Each one of them is vital to a proper transfer; if a single error is made confusion, loss of time and expense will result.)

#### [3.]

As depository under protective agreements or under plans of reorganization of railroad, public utility and industrial corporations.

#### [4.]

As agent and depository for voting trustees.

#### [5.]

As assignee or receiver for corporations under action for the protection of creditors.

#### [6.]

As fiscal agent for the payment of bonds and coupons of states, municipalities and corporations.

Send for our booklet, *Schedule of Fees for Corporate Trust Service* or, without incurring any obligation, consult the nearest office of The Equitable with regard to any of the services rendered by our Corporate Trust Department.



## Stock transfers can be insured against mistakes

Corporations handling their own stock transfers assume many needless risks. But when a corporation appoints The Equitable Transfer Agent, it virtually insures itself against errors which cost money, time and prestige.

The corporate trust services of The Equitable are available to local banks wishing to amplify their own services for the benefit of their customers. Send for our booklet, *The Equitable Trust Company of New York, Transfer Agent*.

### THE EQUITABLE TRUST COMPANY OF NEW YORK

37 WALL STREET

#### DISTRICT REPRESENTATIVES

PHILADELPHIA: Packard Building

BALTIMORE: Keyser Building,  
Calvert & Redwood Sts.

CHICAGO: 105 South La Salle St.

SAN FRANCISCO: 485 California St.

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nopolies are exploiting the people, it is of the utmost importance that utilities be frank and plentiful in their publicity to keep the friendship of their customers and to protect themselves from overambitious law-makers.

**The Physical Sciences**, by Edwin E. Slosson. American Library Association, Chicago, 1926. \$0.35.

This pamphlet, the ninth of the "Reading with a Purpose" series of the American Library Association, is written by Edwin E. Slosson of Science Service, Washington.

The pamphlet is short, intended to be only a brief introduction to the subject. It gives reviews of several of the more important books on physics and chemistry both for beginners and those who have studied the sciences before. A course of reading is explained which should prove valuable and interesting to one who wishes to gain a general knowledge of the physical sciences, chemistry and physics.

**How to Do Research Work**, by W. C. Schluter. Prentice-Hall, New York, 1926. \$1.25.

Research is the subject of a short volume by W. C. Schluter. Mr. Schluter has chapters on arranging data—part of which considers the elimination of that which is useless—and interpreting the data.

"How to Do Research Work" is written to provide the research worker with a method of procedure from the collection of research data to the publication of conclusions of the research undertaking, and to offer suggestions concerning the statistical devices that may be used in handling the data.

**The Widening Retail Market and Consumers' Buying Habits**, Bureau of Business Research, Northwestern University, Horace Secrist, director. A. W. Shaw Company, Chicago and New York. Price, \$3.00.

An interesting and useful text-book related principally to the market for men's clothing and furnishings. Most of the methods are applicable, with slight changes, to the analysis of other commodity markets, such as jewelry or phonographs; and the book is supplied generously with maps, charts and tabulations of results.

#### RECENT BOOKS RECEIVED

**Automotive Giants of America**, by B. C. Forbes and O. D. Foster. B. C. Forbes Publishing Co., New York, 1926.

**Government and Labor**, by Albert R. Ellingwood and Whitney Coombs. A. W. Shaw Company, Chicago and New York, 1926. \$6.

**The History of the United Typothetae of America**, by Leona M. Powell. University of Chicago Press, Chicago, 1926. \$2.

**Living Trusts**, by Gilbert Thomas Stephenson. F. S. Crofts and Company, New York, 1926. \$3.75.

**Personnel Administration**, by Ordway Tead and Henry C. Metcalf. (Second Edition). McGraw-Hill Book Company, New York, 1926. \$5.

**Principles of Accounting**, by Eric L. Kohler and Paul M. Morrison. A. W. Shaw Company, Chicago and New York, 1926.

**Professional and Business Ethics**, by Carl F. Taeusch. Henry Holt and Company, New York, 1926.

**Tax-Exempt Securities and the Surtax**, by Charles O. Hardy. Macmillan Company, New York, 1926. \$2.




# 45c a Day Buys—More Production, Less Spoilage, Fewer Accidents

THREE months after its illumination was brought up to proper standards, the Smith & Lovett Company of Boston wrote of the following benefits: (1) Decreased loss from material spoiled due to mistakes; (2) Fewer accidents; (3) Faster and better layout of work from blue

prints; (4) Better appearance of plant and better feeling among employees.

All of the 15,000 plants which improved their lighting last year made worthwhile savings.

The Edison Electric Illuminating Company helped so many factories last year to gain benefits from improved lighting that it won a contest conducted by this Committee. Your electric light company is anxious to help YOU.



BEFORE—The camera shows light in the air, but not on the work where it belongs.



AFTER—Proper reflecting equipment throws the light to the place most needed.

Industrial  
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Fact No. 3

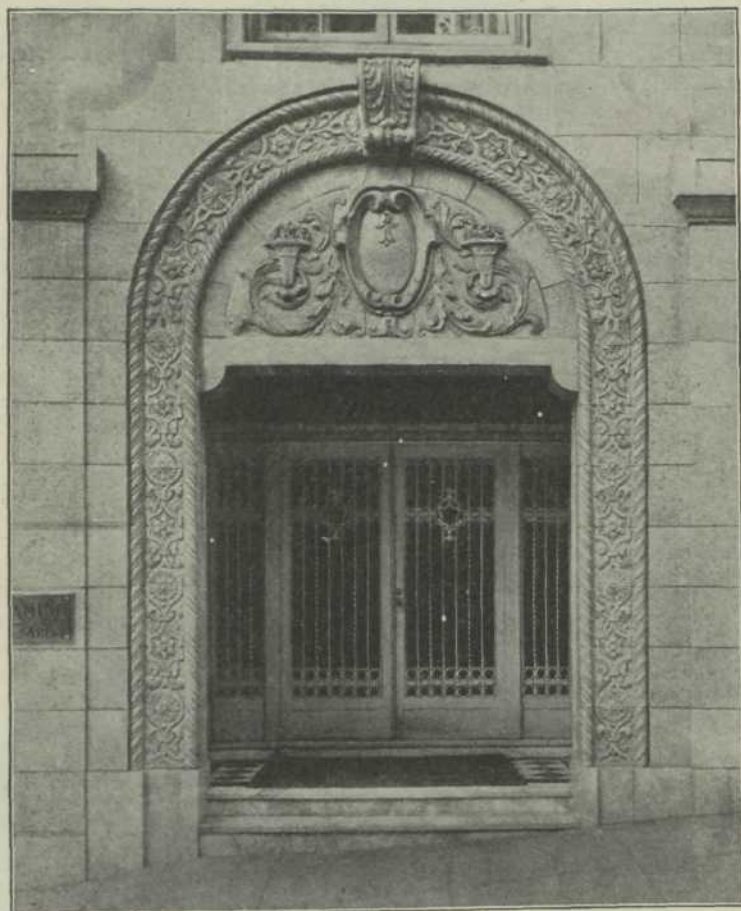
You, too, can increase your production by bringing your lighting up to the proper standard. Without cost your local electric light company will gladly show you how.

Industrial Lighting Committee, National Electric Light Association  
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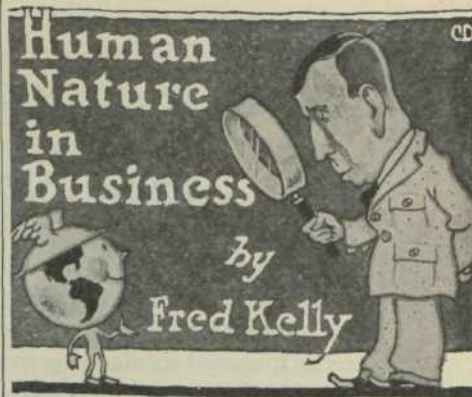
**M**ANY of the finest apartment properties in the United States are finished in Terra Cotta or have beautiful entrances designed in this material. Booklets illustrating large or small apartment buildings will be sent on request indicating your preference. Address

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(On behalf of the Terra Cotta Industry in the U. S.)



**I**N FRONT of a fashionably located dog store window containing a display of Chow puppies, I saw two Chinamen laughing and slapping each other on the back in their outbursts of glee. I don't know when I ever saw Chinamen so emotional. Out of curiosity I sauntered near and tried to see what had amused them. It wasn't any cute antics of the Chow puppies, because all were asleep. Finally, I asked one of the Chinamen what they were laughing at. This brought a fresh outburst, but, after gaining control of himself, the one who seemed to have the best command of



English pointed to a small sign which I had not previously noticed. It gave the price of the puppies as \$50 each. That price was what made the Chinamen laugh.

"Dogs like that in China cost fi' cents—maybe ten cents," one of them explained.

"But how about a trained dog?" I asked. "Suppose it was an extra good dog?"

"Oh, thirty-fi' cents," declared the more conversational one, and his friend nodded agreement.

"Then what does a cat cost?" I inquired.

"Cat, him cost more," promptly replied my new acquaintance. "Good cat catch mice—cost two dollars."

**S**HORTLY after the war, I saw a big newspaper advertisement by one of the best known New York City banks in which was the statement that of 65 persons, on the average, who had reached seventy years, only one was wealthy, four were well-to-do, five able to get along, and the other 55 dependent for support on relatives or charity.

The figures interested me so much that I was anxious to obtain more details and went to the advertising manager of the bank. He said that the figures had been obtained from an advertising agency. I went there and they tried to find where the figures had come from, but nobody could remember. Evidently somebody in that office or elsewhere had simply made a rough guess, which exaggerated the truth. Since then



# Change "Glare" to Subdued Daylight

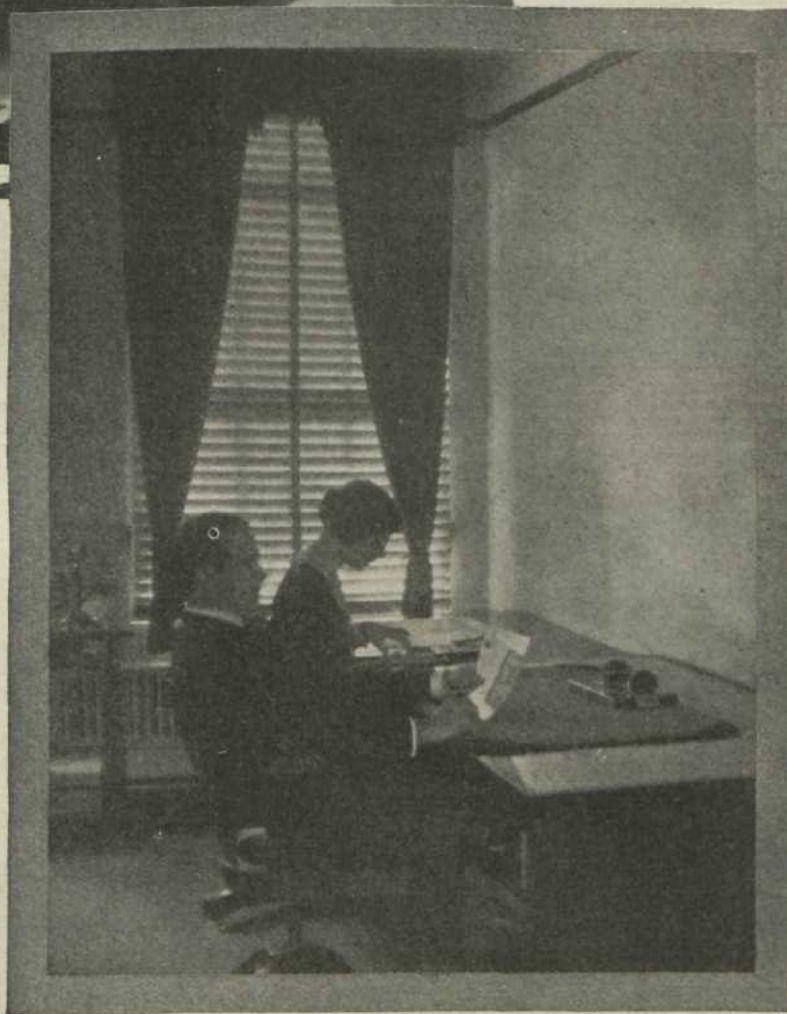
*with this*

## Modern Blind

Create a New Restful Environment  
by Eliminating the Discomfort  
of Glaring Sunlight

... Ordinary window equipment admits a flood of intense sunlight and blinding glare.

... Through modern Western Venetian Blinds each ray of sunlight is reflected and diffused into soft, restful daylight.



**Y**OU can work a transformation in your office and create an environment of restfulness by equipping windows with Western Venetian Blinds.

... Bright, glaring sunlight which is not only annoying but often is the cause of eyestrain, is changed to soft, restful daylight by this modern window equipment.

... No flashing streaks of light strike your desk. Instead, light rays are reflected to the ceiling where they are again reflected and diffused, spreading subdued daylight throughout your office.

... This scientific lighting service is accomplished by ingeniously arranged slats which are easily and quickly adjusted to the proper angle for perfect lighting.

... Ventilation, too, is likewise controlled, so a complete service is performed.

... In thousands of business institutions, Western Venetian Blinds have replaced both awnings and shades, for they perform a better service at a lesser cost.

\*\*\*\*\*

... Read what executives say about Western Venetian Blinds. Write today for free catalog showing representative installations.

## Western Venetian Blinds

MORE LIGHT~MORE AIR~LESS GLARE

WESTERN VENETIAN BLIND COMPANY

Factory and General Offices: LOS ANGELES, CALIFORNIA

CHICAGO KANSAS CITY SAN FRANCISCO NEW ORLEANS  
BIRMINGHAM PORTLAND, ORE. SEATTLE ST. PETERSBURG, FLA.  
TEXAS AGENTS: Two Republics Sales Service, Houston, San Antonio, Dallas

NEW YORK  
ATLANTA





# Every Buyer of heating equipment will be interested in these charts.

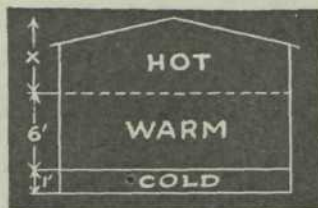
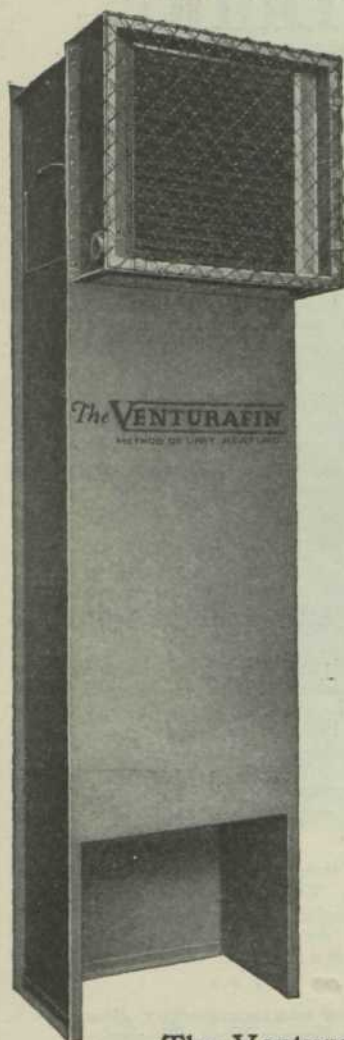


Fig. 1—Shows normal position air takes in relation to temperature.

They are based on actual tests that show the flow of air from various types of heating equipment.

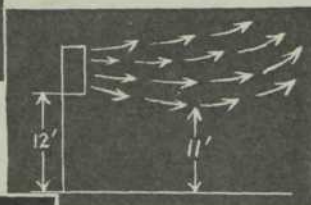


Fig. 2—Shows air blown through a unit heater without recirculating box at 400 ft. velocity.

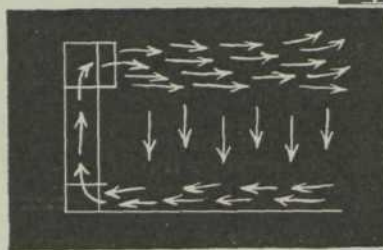


Fig. 5—Venturafin with recirculating box forms a complete air circuit—draws the cooler air from floor—forces heated air out whence it drops to replace the air removed.

✓  
HEAT WITH  
UNIT HEATERS

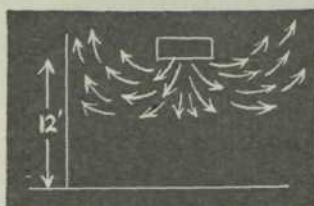


Fig. 4—Illustrates the course of heated air if heater is mounted overhead facing the floor.

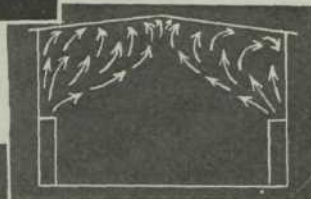


Fig. 3—Shows course taken by heated air from radiators, steam coils, etc.

The Venturafin Method of Unit Heating is the ideal heating system for industrial buildings of every type and description, factories, garages, shops, warehouses, foundries, etc.—it has more than five times the efficiency of ordinary radiation—gives positive heat control—forces heat where you want it and as much as you want—and it is actually cheaper to buy, install and operate. Writetoday for complete information without any obligation on your part—the facts will astonish you.

AMERICAN BLOWER COMPANY, DETROIT, MICH.  
BRANCH OFFICES IN ALL PRINCIPAL CITIES  
CANADIAN SIROCCO COMPANY, LIMITED, WINDSOR, ONTARIO

the same figures, wrong as they are, have been published hundreds of times and widely accepted.

Now I see a statement by Edmund Cogswell, research director of the National Civic Federation, that the figures mentioned have been disproved by reports of the Massachusetts Committee on Old Age Pensions. He was secretary of the committee during 1923-24.

"AN INVESTIGATION conducted among 20,000 people who had reached the age of sixty-five and who lived in cities, towns and villages in Massachusetts," he said, "showed that 40 per cent were worth \$5,000, more than half were worth \$2,000, and only one-sixth had neither property nor income. In other words, 62 per cent were independent, while only a little more than one-third had to rely for support on charity or relatives."

The Massachusetts figures also showed the importance of raising children as insurance against becoming an object of charity in old age. An average of 100 people who were not dependent upon organized charity had 260 children, while for every 100 persons in the almshouse there were only 62 children.

A WEALTHY man eighty-one years of age bought a big farm in an inaccessible section of Indiana a week or two before this is written, in spite of scolding by his family for permitting his money to be tied up in land on a back road that no farmer has ever been able to make pay.

"It will be immensely valuable some day," he insisted. "Because of its natural beauty, millionaires will want it for villa



sites. But it won't come into its own until every rich man has his own aeroplane. Then it will be accessible for suburban development for people in Chicago. Maybe that will be thirty years yet, but it will come."

Imagine a man eighty-one years old ever having the vision to buy land for the long pull, based on common use of aeroplanes!

He has acquired wealth by having longer vision than his neighbors, and he evidently sees no reason to quit using it just because he himself may not be on the premises to reap the harvest.

TWO YOUNG men of similar abilities had an argument years ago about the advantages of a small city or large one as a place in which to make a fortune.

After thirty years they met the other day and compared notes. They discovered that they had succeeded financially in almost exact proportion to the size of the cities in which they now live. One dwells in Cleveland, a city of about a million in-

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habitants, and is a millionaire. The other lives in a city of about 60,000 and confessed to having a fortune of only about \$75,000. All other things being the same, opportunities seem to keep pace with population.

I HAVE asked fifty merchandise men why it was that sales of women's clothing decreased something like 24 per cent in the New York district last February, as compared with the previous February, while men's clothing sales increased about 5 per



cent. Or maybe it was just the other way. Anyhow, I have been trying to find out why sales of garb for the two well-known sexes should go in opposite directions. But nobody has offered a logical explanation. Why was it?

A MANUFACTURER of my acquaintance, unable to adjust himself to new kinds of economic conditions, such as instalment selling, went into voluntary bankruptcy last summer and is now trying to get his business reorganized. I met him one day at a football game.

"You may think I shouldn't take time to be here," he said, "but I find inspiration from seeing the fellow at the bottom extricating himself from the heap."

I WAS wondering recently whatever led women to quit wearing shirt waists. A manufacturer of women's apparel tells me that shirt waists went out when it became a common thing for women to drive automobiles. They decided that coat suits and shirt waists weren't as becoming in a car as a one-piece outfit.

SIMILARLY, golf has, of course, changed styles for men. I notice strong men of good moral character actually wearing shoes this fall of two different colors of



leather. They wear them first on the golf links until their self-consciousness wears off, and then there's no telling where they may wear them.

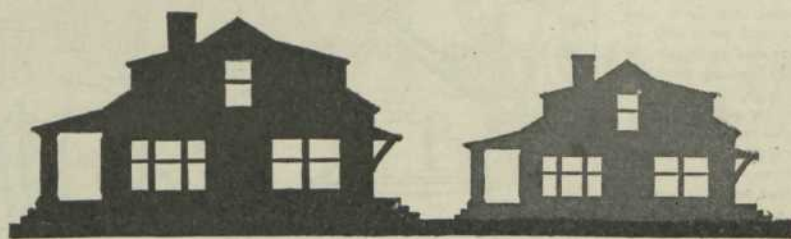
THE STORY is told that the late J. P. Morgan once sent for a certain young man whose success in the stock market had attracted newspaper attention.

The great financier apologized gruffly for sending for a man whom he didn't even know.

"Just attribute it to the whim of an old

# ERIE WORKERS

## own their homes



ERIE 45%

U. S. 37%

## 7 out of 10 have savings accounts

ERIE PEOPLE are fair-minded and thrifty—intelligent, steady workers who live well. 8 out of 10 are American born. Nearly every family drives a car and almost all have telephones.

Such high living standards reflect reasonable and friendly relations between Erie employers and employees—mutual respect of rights and interests. The wide diversity of Erie industries insures trained workers for every need.

Erie's unique labor situation is only one of 5 great advantages offered to manufacturers. Get full details about the others, too—market, transportation, raw materials and power.

### Vital Facts In This Free Book

"5 Great Advantages" represents months of investigation and study. Its 32 pages are full of basic facts and authentic figures every manufacturer needs to know. Send coupon and let our Industrial Board furnish a detailed confidential report of Erie's 5-fold opportunity for you.

ERIE CHAMBER OF COMMERCE  
Erie, Penna.

# ERIE

## PENNSYLVANIA

City of  
**5 great advantages**



ERIE CHAMBER OF COMMERCE  
Erie Pa.

Please send a copy of your booklet "5 Great Advantages."

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Firm \_\_\_\_\_

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NB 1-1-27

- 1 Rich Overnight Market
- 2 Swift Deliveries to Nation's Big Buyers
- 3 Raw Materials, Parts Easily Available
- 4 Steady, Intelligent, Trained Workers
- 5 Cheap Coal—Good Water

## Scientific Facts About Diet

A CONDENSED book on diet entitled "Eating for Health and Efficiency" has been published for free distribution by the Health Extension Bureau of Battle Creek, Mich. Contains set of health rules, many of which may be easily followed right at home or while traveling. You will find in this book a wealth of information about food elements and their relation to physical welfare.

This book is for those who wish to keep physically fit and maintain normal weight. Not intended as a guide for chronic invalids as all such cases require the care of a competent physician. Name and address on card will bring it without cost or obligation.

HEALTH EXTENSION BUREAU  
SUITE U-438 GOOD HEALTH BLDG.  
BATTLE CREEK, MICHIGAN

## INVESTMENTS IN CANADA

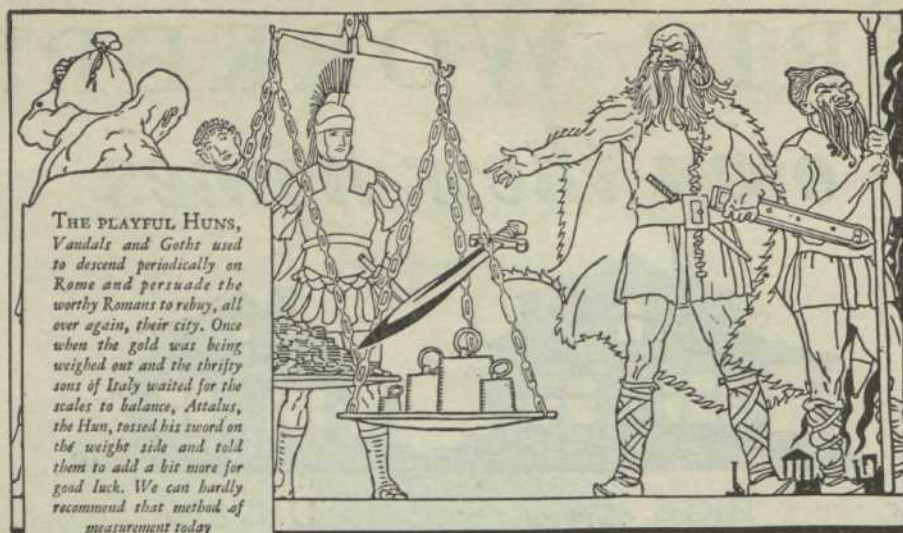
We are equipped to make audits and prepare accurate and exhaustive reports for Companies, Firms, and individuals proposing to invest in Canadian enterprises or to extend their activities to this country.

WELCH, CAMPBELL & LAWLESS

Chartered Accountants  
Cost and Production Data

CROWN LIFE BLDG. TORONTO, CAN.

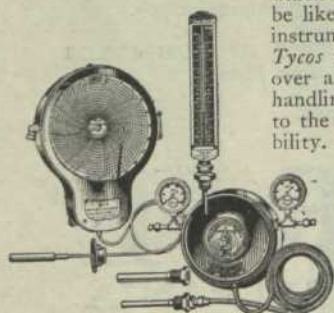




THE PLAYFUL HUNS, Vandals and Goths used to descend periodically on Rome and persuade the worthy Romans to rebuy, all over again, their city. Once when the gold was being weighed out and the thrifty sons of Italy waited for the scales to balance, Attilus, the Hun, tossed his sword on the weight side and told them to add a bit more for good luck. We can hardly recommend that method of measurement today.

## Any instrument that gives man a standard of measurement must be DEPENDABLE

The fabric of national and business life today is trust—whenever that trust is betrayed we have wars, strikes and revolutions. Accuracy and honesty enter even more vitally into the complicated balance of physical health and the intricate process of modern manufacture; a few degrees difference in temperature are the difference between human life and death; and in industry the difference between successful manufacture and ruin. The manufacture of instruments which record and control so important a thing as temperature must be like Caesar's wife. The fact that today most of the scientific instruments made in this country for such purposes are made by Tycos is an indication of the reputation earned by this company over a period of seventy years. It is a guarantee to the dealer handling Tycos products. It is an even more important guarantee to the user of Tycos Instruments. It is the guarantee of dependability.



**Taylor Instrument Companies**  
ROCHESTER, N. Y., U. S. A.

CANADIAN PLANT  
TYCOS BUILDING  
TORONTO

MANUFACTURING DISTRIBUTORS  
IN GREAT BRITAIN  
SHORT & MASON, LTD., LONDON

man," he said. "I've been down here for fifty years and have seen hundreds of young men make fortunes only to lose them. I just thought I would like to be able to feel that I had influenced one young man who had made a million to step aside and keep his money."

"It was the best advice anybody ever received," the young man told a friend, "for six months later I was penniless."

I ASKED the head of one of the largest half dozen department stores in the country if such establishments are likely to follow Henry Ford's plan of a five-day week. Many department stores already do this in summer.

"That will come," he said, "but much sooner will come a nation-wide practice of not opening department stores until about 10 o'clock in the morning or possibly even later. All the sales in such stores before 10 o'clock don't amount to much anyhow. If clerks didn't have to come to work so early, we could obtain a sales force of much greater intelligence. Being more intelligent and less tired, naturally they would sell more goods than ever. The customer, too, would be better pleased, because anybody would rather be waited upon by a clerk who has plenty of rest than one who is tired from standing on her feet an hour or two before the day's work really began."

IN A SURPRISINGLY large number of American cities, a single line of industry gives the place its chief fame and upkeep. Of those that occur to me offhand are: Akron, Ohio—tires; South Bend, Ind.—vehicles; Troy, N. Y.—shirts and collars; Gloversville, N. Y.—gloves; Danbury, Conn.—hats; Lynn, Mass.—shoes;



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**Tycos Temperature Instruments**  
INDICATING · RECORDING · CONTROLLING

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For \$1.25 PER THOUSAND IN 50,000 LOTS COMPLETE

25,000 @ \$1.50 per M — 12,500 @ \$1.75 per M  
On our 20 lb. Paramount Bond  
A Beautiful, Strong, Snappy Sheet  
**SEND FOR SAMPLES**  
GEO. MORRISON COMPANY  
553 West 22nd St. New York City

LITHOGRAPHED ENVELOPES TO MATCH  
\$1.50 PER THOUSAND IN 25,000 LOTS

## Trade Marks



"Trade Mark Profits and Protection" points out by practical example sound business practice covering the selection and registration of trade marks and successful methods of influencing the public by their means. The technicalities of trade marks made clear by interesting cases.

BY H. A. TOULMIN, JR.

of the firm of Toulmin and Toulmin, attorneys, with offices in Dayton and Washington. Mr. Toulmin is recognized as one of the leading authorities who write today on patent and trade-mark subjects. His new book should be read by every progressive manufacturer. 258 pages. Price \$4 at leading book sellers or from

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8 Warren Street, N.B. Jan. New York

Pittsburgh, Gary, Youngstown, Chattanooga and Birmingham—steel; Belding, Mich.—silk; Duluth—lake shipping; Minneapolis and St. Paul—flour; Elgin, Ill.—butter and dairy products; Meriden, Conn.—silver plated ware; Rutland, Vermont—marble. Doubtless there are scores of others, especially smaller places, such as Xenia, Ohio, with its rope factories. I wish somebody would remind me of a few of the others.

THIS seems to be the order of business development of a street originally confined to homes, but much used by motorists:

First, garages in old barns in rear of homes that are now boarding-houses; after garages, motor sales agencies and accessory stores; then small retail stores of various kinds, and finally general business—from groceries to bookstores.

## When You Are Asked to Speak on a Business Subject—

Then is when it is sometimes hard to get together quickly a colorful picture of the facts. It is almost a certainty that NATION'S BUSINESS has, during the past year, discussed the subject, not once but many times. All of the past year's NATION'S BUSINESS articles and comments with their page references are listed in the 1926 NATION'S BUSINESS INDEX, just published. A copy will be sent to you free for the asking.

NATION'S BUSINESS, Washington, D. C.



# Six men climbed out of a sleeper in Washington

A RANCHMAN comes to Washington for permission to graze his sheep on a government forest reserve.

A salesman is calling on the largest buyer in the world—the United States Government.

The president of a trade association has been invited by the Federal Trade Commission to attend a conference which will define the meaning of the word "sterling."

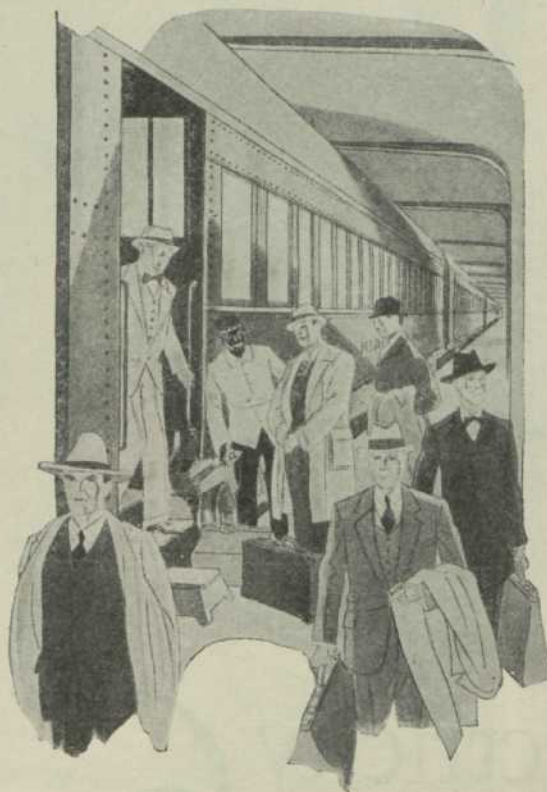
A retailer sets off for the Treasury to ask what's wrong with his income tax return.

A manufacturer wants the Department of Agriculture to let him know how he can label his jam.

An importer heads for the Capitol to ask about tariff changes.

Six men whose business interests are touched by six of the more than one hundred departments, bureaus, commissions, and other divisions of the government. Every day the stream of business men flows into Washington—100,000 a year. Every day a greater stream of commands, suggestions, rules and regulations flows out from Washington and touches business at every point. A new control of your business from without, a control which never grows less.

Alone in interpreting this



control is NATION'S BUSINESS, a magazine published monthly in Washington by the United States Chamber of Commerce, the country's foremost business organization. NATION'S BUSINESS stands where business and government meet. It interprets one to the other. It keeps American business in touch with the growing force of government regulation, government interference, government assistance.

And NATION'S BUSINESS does more. It senses *all* the forces, normal and artificial, which are bringing about a constructive revolution in American business. It uncovers the significant facts, presents them vividly, interprets them with author-

ity. It is written by and for business men in the crisp direct language of business. Nearly a quarter-million business men and women read NATION'S BUSINESS every month. Begin reading NATION'S BUSINESS now. Upon receipt of a request on your letterhead, we will enter your name at once as a subscriber and bill you later. Or send your

check for \$7.50—it will bring you NATION'S BUSINESS every month for a full three-year term. Address Department J, NATION'S BUSINESS, Washington, D. C.

# NATION'S BUSINESS

MERLE THORPE, EDITOR

PUBLISHED MONTHLY AT WASHINGTON BY THE  
CHAMBER OF COMMERCE OF THE UNITED STATES

*One of a series of announcements appearing in the Saturday Evening Post*





Modern Electric  
Generating Plant



# 7 days' electricity for the price of 6

Suppose that one day in every seven were scratched off the home expense account—suppose those bills could just be tossed into the wastebasket. That would be a saving worth celebrating.

The saving to you would be as real as that, if the price of everything your household uses had fallen with the price of current.

The cost of electricity for home use has dropped more than one-seventh since 1913, in the face of actual increases for nearly everything else. That means more money in millions

of pocketbooks. Sixty-three million Americans—more than half the population—live in electrically lighted homes.

You can mark that up as another achievement in good management on the part of electric light and power companies.

WESTINGHOUSE ELECTRIC & MANUFACTURING COMPANY  
Offices in All Principal Cities • Representatives Everywhere  
Localized Service—Men, Parts, Shops

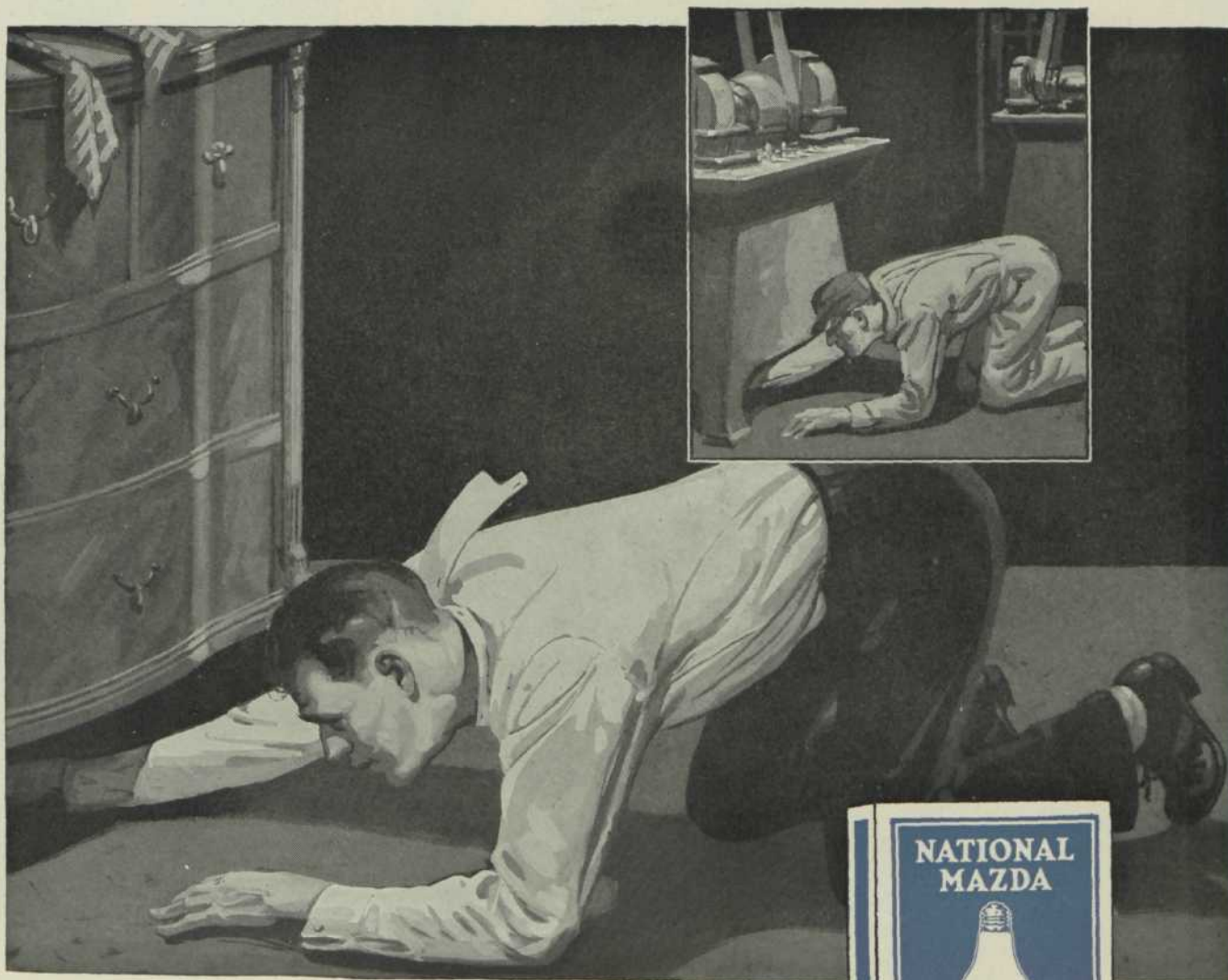
# Westinghouse

© 1926, W. E. & M. Co.

When writing to WESTINGHOUSE ELECTRIC & MANUFACTURING COMPANY please mention Nation's Business



# Don't Cuss the Collar Button



YOU know how it is when you drop the collar button. You reach; you grope; you peer; you cuss—all because you can't SEE. Suppose that button lights on the dresser top, instead of on the floor: you simply reach out and pick it up. That's what light does for you.

And it's not so different in your factory. Men work faster when they see faster—*easier* when they see easier. That's why good lighting pays, and we can prove it by instances from nearly every industry.

NATIONAL LAMP WORKS  
of General Electric Co.

Nela Park

Cleveland, Ohio

The mark "MAZDA" is not the name of a product, but the distinguishing mark of a Research Service which has been the means of improving incandescent lamps and reducing their cost since 1910.

For modern factory lighting, use 200-watt National MAZDA Lamps, well shaded and spaced 10 feet apart.



## National MAZDA LAMPS





H A V E A C A M E L



## *Smoking refreshment that never ends*

WHY is it that the enjoyment of Camels never fails? That you can light them all day and far into the night with never a loss of smoothness, mildness and incomparable fragrance? It's simply a question of quality. Camels contain the choicest Turkish and Domestic tobaccos grown. Camels are given an expert blending found in no other cigarette.

First thing in the morning. Late at night. Before or after breakfast, lunch or dinner. Light Camels as liberally as you choose, one after the other, as often as you desire the cheering comfort of a

cigarette. You will get always the refreshing thrill of smoking pleasure.

Camel perfection has resulted in a demand that has never been known before or since. There has never been cigarette popularity that could compare with Camel's. Each year, millions of experienced smokers, who are willing to pay any price for quality, find in Camels every good thing ever wanted in a cigarette.

Here's a smoke invitation that's leading millions to an entirely new conception of cigarette contentment and satisfaction—

*"Have a Camel!"*

R. J. REYNOLDS TOBACCO COMPANY, WINSTON-SALEM, N. C.



# NATION'S BUSINESS

February



1927

*The Cancer of Too Much  
Government by Senator  
William E. Borah* ☞ ☞ ☞ ☞

*The World's Biggest  
Business Job by F.S. Tisdale*

*Is the Business Man a Boob  
in Politics? by Frank R. Kent*

*Map of Nation's Business, Page 44*

